DOCUMENT RESUME

ED 362 768 CE 064 883

AUTHOR Brock, Thomas; And Others
TITLE Unpaid Work Experience for Welfare Recipients: Findings and Lessons from MDRC Research. MDRC Working Papers.
INSTITUTION Manpower Demonstration Research Corp., New York, N.Y.
SPONS AGENCY Rockefeller Foundation, New York, N.Y.
PUB DATE Sep 93
NOTE 129p.
AVAILABLE FROM Manpower Demonstration Research Corporation, Three Park Avenue, New York, NY 10016 ($5).
PUB TYPE Reports - Research/Technical (143)

EDRS PRICE MF01/PC06 Plus Postage.
DESCRIPTORS *Cost Effectiveness; Employment Programs; Participant Satisfaction; *Program Attitudes; Program Costs; Program Design; Program Development; *Program Effectiveness; Program Evaluation; Program Implementation; Social Responsibility; *Welfare Recipients; Welfare Services; *Work Experience Programs

ABSTRACT

The history of unpaid work experience shows that work requirements for welfare recipients have often been proposed and attempted. The consistent trend has been to place greater emphasis on employability services. Studies of nine welfare-to-work programs providing unpaid work experience indicate that the level of participation is limited by factors related to program design, welfare dynamics, worksite capacity, and client characteristics and circumstances. Worksite surveys of attitudes toward unpaid work experience show most participants view it as better than welfare, but not as good as a real job. Three studies that isolated effects of the Community Work Experience Program suggest that unpaid work experience does not have a clear or consistent effect on employment, earnings, or welfare receipt. Other welfare-to-work programs have proven more effective in increasing employment and earnings and reducing use of welfare. Studies on cost effectiveness indicate that work experience appears to have relatively little net effect on the economic well-being of welfare recipients. For policymakers considering an expansion of unpaid work experience, major uncertainties remain about scale, both in terms of the administrative feasibility and the applicability of the experience of previous smaller programs. (Appendixes include more information on calculating costs and assessing cost effectiveness. Contains 60 references.) (YLB)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED 362 768

UNPAID WORK EXPERIENCE FOR WELFARE RECIPIENTS:

Findings and Lessons from MDRC Research

Manpower
Demonstration
Research
Corporation

Three Park Avenue
New York, New York 10016
(212) 532-3200

88 Kearny Street, Suite 1650
San Francisco, California 94108
(415) 781-3800

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☒ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

CE 064883

BEST COPY AVAILABLE

MDRC

MDRC WORKING PAPERS

UNPAID WORK EXPERIENCE FOR WELFARE RECIPIENTS:

Findings and Lessons from MDRC Research

Thomas Brock
David Butler
David Long

Manpower Demonstration
Research Corporation

September 1993

The Manpower Demonstration Research Corporation's report on the findings and lessons from unpaid work experience programs was funded by a grant from The Rockefeller Foundation.

Publication and dissemination of MDRC reports is also supported by our Public Policy Outreach funders: the Ford Foundation, The Ambrose Monell Foundation, Alcoa Foundation, and Exxon Corporation.

The findings and conclusions stated in this report do not necessarily represent the official positions or policies of the funders.

Copyright © 1993 by the Manpower Demonstration Research Corporation

ACKNOWLEDGMENTS

This report on the lessons of unpaid work experience from research conducted by MDRC would not have been possible without the support and assistance of numerous individuals and organizations. Most importantly, The Rockefeller Foundation contributed necessary funding for the report. Julia Lopez, Director of the Equal Opportunity Division at The Rockefeller Foundation, offered important guidance and encouragement.

The report draws from a number of earlier MDRC studies. Most critical are those conducted by MDRC between 1982 and 1988 as part of the Demonstration of State Work/Welfare Initiatives. The state studies of particular interest include those conducted in Arkansas, California, Illinois, Maine, Maryland, Virginia, and West Virginia. These evaluations represented a collaborative effort between MDRC and the states, with research funding provided by the Ford Foundation and the states (or, in the case of Arkansas and West Virginia, by the Winthrop Rockefeller Foundation and the Claude Worthington Benedum Foundation, respectively).

A number of staff at MDRC played an important role in the production of this report. We would especially like to thank Judith Gueron, Barbara Goldman, and Gordon Berlin for their supervision of the project and their comments on earlier drafts. Robert Ivry, Gayle Hamilton, and Daniel Friedlander also reviewed and provided helpful comments. Johanna Walter played a major role in producing the tables that appear in the report; Cristina Di Meo, Michael Chiarelli, and Leah Curtin also assisted in this effort. Michael Wilde edited the report and was supported by Patt Pontevolpe and Stephanie Cowell.

The Authors

CONTENTS

Acknowledgments iii

I. INTRODUCTION AND SUMMARY OF KEY FINDINGS AND LESSONS 1

II. UNPAID WORK EXPERIENCE PROGRAMS AND AFDC: A SHORT HISTORY 6

The WIN Program 7
WIN Demonstrations and the 1980s Programs 8
The JOBS Program 11
Conclusion 14

III. DESIGN, SCALE, AND PARTICIPATION PATTERNS OF UNPAID WORK EXPERIENCE PROGRAMS 15

Program Design 15
Program Scale 18
Participation Patterns 20
Factors That Inhibit Participation in Unpaid Work Experience 22
Conclusion 27

IV. WORKSITE EXPERIENCES 28

V. EFFECTS OF UNPAID WORK EXPERIENCE PROGRAMS IN SAN DIEGO, COOK COUNTY, AND WEST VIRGINIA 35

Overview of Impact Findings 35
San Diego I: The "Add-on" Effects of Unpaid Work Experience Following Job Search 36
Cook County: The "Add-on" Effects of Unpaid Work Experience Following Job Search 41
West Virginia: Effects of a Program of Continuous Unpaid Work Experience 43
Program Effects for Other Programs That Include Unpaid or Paid Work Experience 46
Conclusion 48

VI. THE COSTS AND BENEFITS OF UNPAID WORK EXPERIENCE 49

Work Experience Costs 49
The Cost-Effectiveness of Work Experience 55

VII. GETTING TO SCALE: IMPLEMENTING UNPAID WORK EXPERIENCE 60

Program Management and Implementation Choices 60
Operational Issues in Expanding Unpaid Work Experience Under Time-Limited Welfare 66
Conclusion 75

APPENDIX 77

References 83

Selected MDRC Publications 89

I. Introduction and Summary of Key Findings and Lessons

> It's time to honor and reward people who work hard and play by the rules. That means ending welfare as we know it. . . . *Empower people* with the education, training, and child care they need for up to two years, so they can break the cycle of dependency; expand programs to help people learn to read, get their high school diplomas or equivalency degrees, and acquire specific job skills; and ensure that their children are cared for while they learn. After two years, *require those who can work to go to work*, either in the private sector or in community service; provide placement assistance to help everyone find a job, and give the people who can't find one a dignified and meaningful community service job.[1]
>
> – Bill Clinton and Al Gore, *Putting People First*

The goal of requiring welfare recipients to work is a staple of American politics. President Clinton and Vice President Gore are the most recent to advocate a work obligation, but over the years this goal has been put forward by Presidents Reagan, Carter, and Nixon – and by various congressional leaders, state governors, and state legislators.[2] Work requirements may assume different forms, but one approach that has been tried in the past is unpaid work experience, sometimes called "workfare."[3] This involves the assignment of welfare recipients by welfare agencies to community service jobs, either in government or in the private nonprofit sector, as a condition of public assistance. To help inform policymakers who may be contemplating unpaid work experience as a component of time-limited welfare, this paper summarizes what is known about unpaid work experience programs from a series of evaluations conducted by the Manpower Demonstration Research Corporation (MDRC) during the 1980s and early 1990s.

Unpaid work experience has often engendered controversy. Supporters claim it interjects the work ethic into a welfare system that has traditionally given away something (that is, cash assistance) for nothing. They also contend that unpaid work experience prepares welfare recipients for the labor market by teaching them good work habits and skills, at the same time enabling important community work to be performed. Finally, proponents suggest that unpaid work experience may lower welfare costs, either

---

[1]Clinton and Gore, 1992, pp. 164-65 (emphases in the original).

[2]See Jansson, 1988; Rein, 1982; and Steiner, 1971.

[3]The term *workfare* has various meanings. Sometimes it is used narrowly to describe programs that require welfare recipients to work a prescribed number of hours to "earn" their welfare grant. Workfare is also used more broadly to refer to any program that imposes an obligation on welfare recipients, possibly including unpaid work experience but also activities such as job search, education, and vocational training. To avoid ambiguity, this paper uses "unpaid work experience" in the first, narrow sense, and "welfare-to-work program" for the broader definition.

by getting people jobs or deterring them from applying for or staying on welfare. Critics dismiss these claims, questioning whether enough meaningful jobs can ever be created at a reasonable cost without displacing existing workers. Opponents also doubt the effectiveness of unpaid work experience in getting people employed and off welfare. Lastly, critics question the fairness of forcing welfare recipients to work, given the probability that welfare recipients will not be accorded the same rights, remuneration, or status of regular employees. The MDRC evaluations cannot resolve the values choices implicit in such a debate, but can help clarify the possibilities and limitations of unpaid work experience.

MDRC studied several programs in states and communities across the United States that adopted various approaches of operating unpaid work experience, which, in most cases, was a component of a larger welfare-to-work program that consisted of job search assistance and other activities in addition to unpaid work experience. Nearly all of the MDRC evaluations involved random assignment of eligible Aid to Families with Dependent Children (AFDC) recipients into different groups, with some people assigned to a program group that was eligible for unpaid work experience or other services, and others to a control group, which was not. In essence, the control group represented the world *without* a welfare-to-work program. The difference in welfare and employment outcomes for program and control group members thus yielded a reliable estimate of program achievements.[4]

Three of the MDRC studies (San Diego I; Cook County, Illinois; and West Virginia) were designed to isolate the impacts of unpaid work experience on welfare recipients' employment rates, earnings, and use of welfare. In addition, a total of nine MDRC studies examined the design and implementation of welfare-to-work programs that include unpaid work experience; participation patterns in welfare-to-work programs generally and in unpaid work experience in particular; and the costs – and benefit-cost ratios – of unpaid work experience. MDRC also conducted surveys of unpaid work experience participants and supervisors to determine their attitudes toward the value and fairness of these assignments. All of the programs evaluated by MDRC targeted predominantly female, single-parent recipients of AFDC; approximately half of the programs also targeted recipients of AFDC-U (typically fathers), which provides cash assistance to two-parent households in which one or both of the parents are unemployed.

There are some questions about unpaid work experience – particularly those related to a time-limited welfare proposal – that the MDRC evaluations *cannot* answer. First, the evaluations are not able

---

[4]There have been other studies of welfare-to-work programs (not summarized in this paper), but few of these programs featured unpaid work experience as a central feature. In addition, few studies outside of those conducted by MDRC have used random assignment. For a review of major welfare-to-work programs evaluated by MDRC and others, see Greenberg and Wiseman, 1992; and Gueron and Pauly, 1991.

to explain the effects of unpaid work experience for people who have been on welfare for at least two years and who have been offered two years' worth of education, vocational training, or other employment-related services. This is a different approach than was used in the programs MDRC studied, although a number of the programs *did* serve people who had been on welfare for a long time, and used unpaid work experience after an initial activity such as job search. A second issue that the MDRC evaluations cannot address is the feasibility or effects of running unpaid work experience as an *ongoing* requirement for *all* groups of welfare recipients who meet certain eligibility criteria within a state or across the nation. In most instances, the programs studied by MDRC assigned welfare recipients to unpaid work experience for a period of three months. The evaluation sites usually encompassed several communities or regions of a state, and targeted a fraction of people on welfare. (Most programs, for instance, did not target single mothers with children under the age of six.) Unpaid work experience – operated on a wider scale, for more people, with an unlimited participation requirement – possibly could be different in nature and result in different effects, particularly on welfare utilization.

With these caveats in mind, MDRC's research on unpaid work experience programs offers the following lessons:

- First, unpaid work experience was nearly always operated on a limited scale, for a small percentage of the eligible welfare population, and for three-month periods (although in several programs, some participants were assigned to unpaid work experience for more than one three-month stint). An exception was in West Virginia, where unpaid work experience was run on an ongoing basis for AFDC and AFDC-U recipients and, in four "saturation" areas, sufficient worksites were available for virtually *all* AFDC-U recipients able to participate. The limited use of unpaid work experience was often a function of program design, as when it followed other program activities (like job search) or was one of many program options that staff or clients could choose. In other instances, unpaid work experience was constrained by staff opposition, administrative difficulties, or insufficient resources.

- Second, there is little evidence that unpaid work experience leads to consistent employment or earnings effects. In the few studies where MDRC was able to isolate the effects of unpaid work experience, statistically significant, positive effects on employment and earnings were found in only one instance: for the predominantly female, single-parent AFDC applicants in San Diego I. Even this finding warrants qualification: The positive employment and earnings effects were attributable solely to those applicants who were assigned to the program group during the last half of the evaluation (there was no effect for applicants assigned to the program group in the earlier cohort).

- Third, it is not clear from the limited evidence that unpaid work experience leads to reductions in welfare receipt or welfare payments. In the San Diego I and Cook County (Chicago) evaluations, unpaid work experience combined with job search led to small but statistically significant overall reductions in welfare payments and, during some quarters of the follow-up periods, a small but statistically significant reduction in the number of people

on welfare. These reductions were *not* significantly greater than those achieved by running job search alone. In other words, unpaid work experience yielded no "add-on" effect. In West Virginia – where unpaid work experience was the sole program activity – there was no significant overall reduction in welfare payments for female, predominantly single-parent AFDC recipients. There *was* a small decrease in the percentage of people receiving AFDC at the end of 21 months, but longer-term follow-up on the earliest group of enrollees suggests that this effect did not persist.

- Fourth, while unpaid work experience may have provided free labor to worksite sponsors, it was not free to administering agencies. Some of the major expenses to administering agencies included worksite development; client intake, assignment, and monitoring; and support services (like child care) and work allowances for participants. In 1993 dollars, the costs of unpaid work experience *per participant* ranged from approximately $700 to almost $2,100. The costs varied depending on factors such as how long the assignment lasted (three months was the norm, but in some locations participants averaged more or less time in the activity); who was targeted; and whether unpaid work experience was offered alone or in combination with other activities. The *annual* cost *per filled slot* for welfare recipients in the programs ranged from approximately $700 to nearly $8,200. The annual cost per filled slot was lowest in programs that operated on a relatively large scale. West Virginia – the largest program studied by MDRC – kept more than 1,900 positions filled during the period it was studied; Cook County – the second largest – kept nearly 400 positions filled.

- Fifth, insofar as unpaid work experience contributed to the work of governmental and community nonprofit organizations, it had value to the public-at-large. Owing to this, the benefits to *taxpayers* of running unpaid work experience usually outweighed the costs of running the programs. In San Diego I and West Virginia, the net *gain* to taxpayers (i.e., all program benefits – including the value of output by worksite participants – minus all program costs) ranged from roughly $260 to $1,000 per program group member. However, in Cook County, Illinois, there was a small net *loss* to taxpayers. The net value to *welfare recipients* was less clear. In some cases, increased earnings and fringe benefits were greater than increased taxes and reduced welfare; in other cases, the net effect on recipients' income was negative.

- Sixth, participants in unpaid work experience positions and their supervisors reported that the work was meaningful. It may not have taught welfare recipients new skills, but neither was it "make work." Most participants thought that a work requirement was fair, but they also would have preferred a real job.

- Seventh, to run unpaid work experience on a large scale, the MDRC studies suggest that the essential ingredients are sufficient funding; strong staff commitment to the program; adequate worksite capacity; clearly articulated procedures for assigning clients to worksites, monitoring client participation, exempting clients who cannot work, and sanctioning clients who do not comply; and support for the program (or at least lack of opposition) from labor unions, welfare advocacy groups, and others in the community.

The remainder of this paper explores these issues and lessons further. Section II begins with a short history of unpaid work experience programs from the 1960s to the present. Section III describes the

design, scale, and participation patterns of nine welfare-to-work programs evaluated by MDRC that included unpaid work experience. Section IV examines the experiences of clients assigned to unpaid work experience, based on surveys of participants and worksite supervisors. Section V presents the impacts of three welfare-to-work programs that were structured in such a way that the effects of unpaid work experience on employment rates, earnings, welfare receipt, and welfare payments could be isolated. Section VI describes the costs and benefit-cost results for unpaid work experience. Finally, Section VII explores key administrative and operational issues that unpaid work experience programs have had to address in the past and that may need to be resolved in the future if unpaid work experience is run on a large scale as a part of a time-limited welfare plan.

II. Unpaid Work Experience Programs and AFDC: A Short History

The idea of linking welfare and work is not new, although it has not always been a matter of federal policy. When Congress passed the Social Security Act and created the AFDC program for children of single parents in 1935,[5] it allowed states considerable discretion in setting cash benefit levels and eligibility rules. In many states, low levels of payments virtually necessitated that mothers seek outside work. In addition, some states adopted seasonal employment laws, in which AFDC could be terminated during agricultural harvests and labor shortages.[6] Seasonal employment laws have been phased out over time, but states have retained significant authority over the administration of AFDC in general and the design and operation of work programs for welfare recipients in particular.

The federal role in shaping work and welfare policies began in the early 1960s. The impetus came largely from a desire to curb the growth in welfare caseloads and costs, and from recognition of the changing role of women in society. Across the nation, the number of AFDC recipients increased from approximately three million in 1960 to over nine million in 1970, and cash payments during this same period climbed from $1 billion to nearly $5 billion. Concurrently, increasing numbers of women were entering the work force, either by choice or out of need. Given this trend, the notion that AFDC should allow welfare recipients (usually single mothers) to stay home and care for their children seemed outmoded.[7]

Over the years, federal work and welfare policies have assumed three forms: services intended to increase the employability of recipients (such as prevocational training, job search assistance, education, occupational skills training, and support services like child care); income disregards or tax credits that provide an incentive for recipients to become employed (such as the so-called 30 and ⅓ disregard and the Earned Income Tax Credit); and requirements intended to link welfare eligibility to work obligations (including unpaid work experience).[8] Variations on all three policies have often co-existed, although federal priorities and state interests typically emphasize certain approaches over others.

The first federally sponsored work requirement went into effect in 1962, in the form of the Community Work and Training Program (CWT). CWT accompanied the creation of the AFDC-U program that at state option provided cash assistance for children in two-parent households who were

---

[5]Aid to Families with Dependent Children (AFDC) was titled Aid to Dependent Children (ADC) until 1962. The current program name is used to avoid confusion.

[6]Bell, 1965.

[7]Jansson, 1988; Rein, 1982.

[8]Ibid.

deprived of financial support by reason of an unemployed father.[9] States could require AFDC-U recipients to "work off" the amount of assistance they received at a community job, with the number of work hours determined by the prevailing community wage rate for comparable work. CWT was a small program, in part because AFDC-U served a small number of men, and partly because most states and localities chose to expand social services to welfare recipients rather than set up CWT projects.[10] One exception was West Virginia, which enrolled its entire AFDC-U caseload in CWT.[11]

The WIN Program

In 1967, Congress created the Work Incentive (WIN) Program, which extended work requirements to able-bodied fathers, out-of-school youths aged 16 and over, and other adults on an AFDC case besides parents. Mandatory registrants who failed to comply could have their welfare grants reduced. The legislation also allowed AFDC recipients to volunteer for WIN services, including training, education, and work experience.[12] The work experience component was intended to provide training and basic work habits to participants with limited work history. It lasted up to 13 weeks, during which participants received only their AFDC grant with the addition of an allowance for work-related expenses.[13]

The implementation of WIN revealed a tension between work requirements and employability services. State and local officials found the sanctioning procedures administratively time-consuming and worried that grant reductions would harm families. Hence, sanctions were seldom applied against noncooperating individuals. The service aspects of the program took priority; relatively few registrants were assigned to worksites. Nationwide, only about 173,000 people enrolled in any WIN activity between July 1968 and June 1970. In brief, WIN in its early years proved to be mandatory in name only, and realized its employment goals for only a fraction of AFDC recipients.[14]

Congress amended WIN in 1971 to require *all* able-bodied AFDC recipients to register for the program, though priority was accorded first to AFDC-U case heads and second to AFDC volunteers. Financial sanctions could be imposed on mandatory registrants who refused to participate. The amendments placed a new emphasis on employment-based training, requiring one-third of program funds

---

[9]AFDC-U was amended in 1979 so that benefits could be made available to two-parent families with an unemployed mother as well.

[10]Ibid.; Levitan, 1977.

[11]Ball, 1984.

[12]Levitan, 1977; Rein, 1982.

[13]Gueron and Goldman, 1983.

[14]Levitan, 1977; Rein, 1982; U.S. General Accounting Office, 1971.

to be devoted to on-the-job training or public service employment. Congress tripled program funding from previous levels to approximately $300 million per year between 1972 and 1974 to accommodate these changes.[15] WIN continued to evolve in the mid 1970s, most significantly in 1975 with an amendment to reorient the program toward job search and job placement services rather than training. In subsequent years, new amendments emphasized a greater balance between job placement services and training. Funding gradually increased to $395 million by 1980.[16]

Compared to the first years of the program, WIN in the 1970s succeeded in enrolling more people and emphasizing more employment-related activities than so-called soft services such as orientation and prevocational training. Nonetheless, WIN still enrolled a relatively small percentage of the eligible caseload. The U.S. General Accounting Office reported that between 1975 and 1980, a total of 769,000 ever participated in WIN, out of an eligible 4.1 million adult AFDC recipients. And although the services became increasingly focused on readying participants for employment or helping them obtain jobs, relatively few WIN participants were asked to perform work in exchange for welfare.[17]

A few states – notably, California, Utah, and Massachusetts – conducted demonstrations during the 1970s of programs that required AFDC or AFDC-U recipients to work in exchange for welfare benefits. The Utah program, called the Work Experience and Training (WEAT) demonstration, was small but appeared to have succeeded in its goal of imposing a work requirement on AFDC recipients. Of the 1,153 WIN registrants assigned to the program, 45 percent were assigned to WEAT, 41 percent were excused from participation, and 14 percent had their cases closed. In addition, there were numerous sanctions for failure to perform satisfactorily in WEAT assignments. By contrast, the California and Massachusetts Work Experience programs encountered substantial administrative difficulties, legal challenges, and staff opposition. In California, during the most successful year of the demonstration, only 4,760 AFDC recipients actually worked at a work experience site out of nearly 183,000 eligible individuals. In Massachusetts, where the program was targeted to AFDC-Us, only 350 men out of a potential eligible group of 3,120 ever showed up at a worksite.[18]

WIN Demonstrations and the 1980s Programs

On the whole, the experience of the 1960s and 1970s led to two conclusions: First, that when there

---

[15]U.S. General Accounting Office, 1975.
[16]Nightingale and Burbridge, 1987.
[17]Rein, 1982; U.S. General Accounting Office, 1982.
[18]Gueron and Goldman, 1983.

was a choice of implementing work-related services and actual work requirements, services usually took precedence; and second, where work requirements were attempted, they generally proved difficult to implement. Nonetheless, the idea of work requirements remained popular. When Ronald Reagan became president in 1980, he advocated a much stricter work requirement than was ever incorporated in WIN. Specifically, he proposed that each state be required to operate a Community Work Experience Program (CWEP) for all able-bodied AFDC recipients as a condition of receiving AFDC. Congress rejected this as federal policy, opting instead to give states greater latitude in administering WIN and imposing work requirements.[19] The 1981 Omnibus Budget Reconciliation Act (OBRA) and the 1982 Tax Equity and Fiscal Responsibility Act permitted states to run the following:[20]

- *WIN Demonstration programs*. WIN Demonstrations allowed state *welfare* agencies – rather than state employment security agencies – to administer WIN directly. State welfare departments were also given more flexibility in the mix of services offered to welfare recipients than WIN allowed in the past.

- *Community Work Experience Programs* (CWEP). For the first time, states could require AFDC recipients to work in unpaid governmental or private nonprofit jobs in exchange for their grants, with a formula based on the amount of the AFDC grant divided by minimum wage.

- *Job search programs*. States were allowed to develop mandatory job search activities or job referral programs for AFDC applicants as well as recipients.

- *Work supplementation or grant diversion programs*. States were permitted to use AFDC grants to subsidize on-the-job training for welfare recipients with a public- or private-sector employer.

By 1985, 47 states had adopted at least one of the options approved by Congress, but the exact combinations, content, and scale of the programs differed widely. Virtually all states relied heavily on job search. Some state programs, particularly in the South and Southwest, offered little else besides job search; others, such as the Employment and Training (ET) Choices Program in Massachusetts and Greater Avenues for Independence (GAIN) in California, offered job search, education, vocational training, and support services. About half the states operated CWEP for at least some AFDC recipients in at least one local jurisdiction.[21]

Federal funding for welfare-to-work programs in the early to mid 1980s was low. In 1985, the

---

[19]Nathan, 1993.
[20]Nightingale and Burbridge, 1987; U.S. General Accounting Office, 1987.
[21]Ibid.

programs received only $196 million, or about half the federal monies available during the peak years of WIN. States like Massachusetts and California, which were committed to developing multiservice programs, had to devote considerable state funds to do so. About 700,000 adults nationwide participated in welfare-to-work programs in 1985; fewer than 20,000 of these participants attended CWEP. Most programs were mandatory, but participation requirements tended not to be strictly enforced or were short-term. As in pre-1980s WIN, the main requirement usually was to register; welfare recipients who failed to participate were seldom sanctioned.[22]

Although participation figures in the Reagan-era programs were small on a *national* level, some states succeeded in imposing a meaningful participation requirement and achieving higher participation rates than in the past, if only in certain regions of the states or for subsets of the welfare population. MDRC evaluated eight such programs that offered job search, CWEP, and, in some cases, education, vocational training, on-the-job training, and other services. (The findings – specifically those on CWEP – are the focus of the remainder of this paper.) MDRC reported that most of these programs produced positive employment and earnings gains for AFDC women; some of them also led to reductions in welfare outlays. Furthermore, MDRC found that the benefits of running the programs generally outweighed the costs. MDRC cautioned that the results do not suggest a cure for poverty nor a short-cut to balancing state budgets. Nevertheless, the evaluations demonstrate that a variety of welfare-to-work programs operating in a wide range of environments can lead to positive effects.[23] For policymakers accustomed to negative or contradictory results from social welfare evaluations, this was good news.[24]

The information was also timely. President Reagan and many congressional leaders remained committed to welfare reform – as were many state governors and legislators – during the period that the findings were released. The MDRC studies, combined with other available research and news media reports, helped policymakers with divergent perspectives reach a consensus based on five objectives or themes.[25] The first is responsibility: namely, that people who receive welfare have an obligation to do something in return. The second is the desirability of work, not only as a tool to cut welfare costs or promote self-sufficiency but also as a way to integrate people into the economic mainstream. The third theme involves the family and the need to change welfare policy to strengthen the family unit. Fourth is a belief that education has to be strengthened at all levels to increase basic skills and employability.

---

[22]U.S. General Accounting Office, 1987.
[23]Gueron, 1987.
[24]Baum, 1991; Haskins, 1991; Szanton, 1991.
[25]Ibid; Nathan, 1993.

The last theme involves discretion: that is, that states should be given the flexibility to design programs that would be responsive to their local conditions.[26] To accomplish these objectives, Congress passed the Family Support Act in 1988.

The JOBS Program

The centerpiece of the Family Support Act was a new national welfare-to-work program called Job Opportunities and Basic Skills Training (JOBS). JOBS attempted to build on the strengths of the early 1980s programs while incorporating new resources and guidelines that lawmakers hoped would yield even better results. The legislation authorized nearly $5 billion between 1989 and 1995 – substantially more than was ever provided for WIN. It specified that funds be targeted to people on AFDC who were likely to become long-term recipients. It expanded the "mandatory" population to include AFDC recipients with children as young as three years old or, at state option, one year old. It established participation standards: for AFDC recipients, states were expected to serve 7 percent of their JOBS-mandatory caseload in 1990, rising to 20 percent by 1995; for AFDC-U recipients, states were expected to serve 40 percent of the eligible caseload in 1994, rising to 75 percent in 1998. Finally, it shifted the emphasis away from job search and CWEP to more intensive "human capital" activities like education and training. States were required to provide high school education or its equivalent; adult basic education; English as a Second Language instruction; job-readiness activities; job skills training; and job development and placement. In addition, states had to offer at least *two* of the following: group and individual job search, on-the-job training, work supplementation, and Community Work Experience or Alternative Work Experience. At state option, self-initiated education or training at a post-secondary institution or vocational school could also be allowed.[27]

Community Work Experience Programs and Alternative Work Experience Programs under JOBS both involve the assignment of welfare recipients to work at public or private nonprofit agencies, but there are key distinctions between them:[28]

- During the first nine months of a *CWEP* assignment, a participant's hours of required work cannot exceed the family's monthly AFDC grant divided by the federal minimum wage (or applicable state minimum wage, if higher). In effect, the participant "works off" the grant at the minimum wage rate. After nine months, the hours required for

---

[26]Reischauer, 1987.
[27]Family Support Act of 1988.
[28]Congressional Research Service, 1992.

work must be reduced if the employer is paying a higher wage than the minimum to non-AFDC recipients employed in similar occupations at the same site.

- Under *Alternative Work Experience*, minimum wage rates and family AFDC grant levels do *not* determine the number of hours a participant will work. Rather, the work assignment can be full- or part-time, but is limited in the number of weeks it can last. In general, Alternative Work Experience placements last 12 to 13 weeks.

The work requirement provisions in JOBS apply differently to AFDC and AFDC-U recipients. States are not obligated to run either CWEP or Alternative Work Experience for AFDC recipients, but *must* have some type of work program in place for AFDC-Us by 1994. Beginning in that year, AFDC-U recipients will be required to participate in CWEP, Alternative Work Experience, work supplementation, or on-the-job training for at least 16 hours per week. By contrast, the regulations for AFDC recipients encourage limited reliance on CWEP. For instance, the formula for determining hours subtracts the value of any child support collected by the government from the AFDC grant to determine the hours a client needs to work. (This formula also applies to AFDC-Us, but child support is more likely to be collected in single-parent AFDC cases.) While the duration of a CWEP placement can be open-ended, reassessments are required every six months for AFDC recipients. If a CWEP placement lasts longer than nine months, the formula used to calculate the hours of work assignment shifts from a minimum wage to a prevailing wage denominator. The JOBS rules also state that CWEP cannot be the primary activity in an AFDC recipient's employment plan, and that it be coordinated with other employment activities so that job placement has priority. Sanctioning based on noncompliance with CWEP is also constrained, since anyone participating in another employment activity in conjunction with CWEP cannot be sanctioned if she or he is actively and satisfactorily participating in the other program component.[29]

Initial data reported to the U.S. Department of Health and Human Services (HHS) by the states indicates that JOBS is meeting its early participation goals and has surpassed the levels attained by the WIN program. In 1991, all but one state met the 7 percent participation standard for AFDC recipients. This amounts to 459,000 families in JOBS each month during the fiscal year. Sixty-two percent of these families were members of target groups identified in the legislation as potential long-term welfare recipients. (Participation data for AFDC-U cases are not yet available.) Most participants attended education and skills training activities; very few attended CWEP.[30]

A review of the HHS participation data by the Center for Law And Social Policy indicated that just

---

[29]Greenberg, 1988.

[30]U.S. General Accounting Office, 1992.

3 percent of all JOBS participants nationwide (or 14,248 people) participated in CWEP during the September 1991 reporting month. Participation in *all* unpaid work experience may have been as high as 7 percent, but the actual rate cannot be determined since states report Alternative Work Experience as part of a general "other" reporting category. However, even at 7 percent (18,097 people), unpaid work experience would be one of the least utilized components. The highest use of unpaid work experience was reported in West Virginia (28 percent), Colorado (16 percent), Nevada (16 percent), and Ohio (16 percent). Of these four, only in West Virginia is CWEP the largest program component. Forty states report less than 5 percent of their participants in CWEP.[31] The evaluation MDRC is conducting for HHS of JOBS – currently under way in seven sites across the country – also indicates that CWEP and Alternative Work Experience are used at a low rate. Reviews of JOBS participants' casefiles indicated that at six months after random assignment to JOBS, participation rates in unpaid work experience ranged from zero in Riverside, California,[32] to 14 percent in Franklin County, Ohio.[33] The other sites in the JOBS evaluation had 8 percent or less participation in this activity.[34]

Why is the use of unpaid work experience in JOBS so low? The primary reason may be that most states and localities have implemented programs that emphasize education and training, as the legislation indicated they should. Second, welfare department staff may find that unpaid work experience requires too much effort on their part to develop, unlike education and training activities that are often readily available in communities. Third – in addition to the work involved in creating worksites – unpaid work experience may present administrative and political difficulties to welfare departments. Evaluating and matching clients to work assignments, providing supervision, and tracking attendance all require staff attention and money. Calculating CWEP hours under the JOBS formula may also be burdensome. Some state and local staff have noted that the method of calculating hours does not make it easy to place welfare recipients in worksites because the hours of work assignment have nothing to do with the way hours requirements are defined in the work place. Unpaid work experience tends to be unpopular and controversial among advocacy groups, labor unions, and liberal political constituencies. Finally, many

---

[31]Greenberg, 1992.

[32]The design of the GAIN program makes it highly unlikely that a welfare recipient would participate in unpaid work experience in the first six months. Riverside County program records indicate that there is limited use of unpaid work experience within a longer follow-up period. See Section III of this paper for more details on GAIN.

[33]The Franklin County JOBS program is testing two forms of case management: integrated (in which income maintenance and JOBS functions are combined) and traditional (in which income maintenance and JOBS functions are performed by two separate workers). The 14 percent participation rate for unpaid work experience corresponds to the integrated case management group.

[34]Forthcoming MDRC report.

states and localities have elected to use unpaid work experience only after assigning clients to education, training, or job search first, thereby limiting the number of people who ever get to worksites. (A number of these issues are explored in more detail later in this paper.)

Conclusion

The history of unpaid work experience shows that work requirements for welfare recipients have often been proposed and attempted. To a limited extent, actual work requirements have been imposed, more often for AFDC-U recipients than for AFDC recipients. Yet for the past 30 years, the consistent trend has been for states to place greater emphasis on employability *services* than on work assignments. This means that welfare recipients enrolled in WIN or JOBS programs tend to fulfill their obligations by attending such activities as prevocational classes, job search, education, and occupational skills training, rather than performing job tasks for governmental or nonprofit organizations. History suggests that employability services may be less controversial and more readily implemented than actual work requirements.

The next section describes more specifically the design, scale, and participation patterns of welfare-to-work programs evaluated by MDRC in the 1980s and 1990s that include unpaid work experience.

III. Design, Scale, and Participation Patterns of Unpaid Work Experience Programs

Beginning in the early 1980s and continuing through the present, MDRC has studied nine welfare-to-work programs that include unpaid work experience as a major or ancillary activity.[35] Eight of these were WIN Demonstration programs operated under the provisions of the Omnibus Budget Reconciliation Act of 1981; one – California's Greater Avenues for Independence (GAIN) program – is currently operating as a JOBS program under the Family Support Act of 1988. Table 1 presents a complete list. The programs are similar in that they all assigned welfare recipients to unpaid work positions in governmental or community nonprofit organizations, but beyond this there are important distinctions in their design, scale, and participation patterns. This section of the paper examines these differences to illustrate options for program implementation; explain how such programs are utilized by welfare recipients; and help explain variations in program impacts and costs presented later in the paper.

Program Design

"Program design" is a broad label that encompasses a program's basic operating framework and guidelines. It includes program objectives; program structure or layout (such as where unpaid work experience is placed vis-à-vis other activities and the emphasis given to it); the nature of participation requirements (if any); the length of the unpaid work assignment; and the target population. Table 1 outlines some of these basic design features in the programs evaluated by MDRC.

The unpaid work experience programs studied to date have been designed with three underlying objectives. Some programs may try to achieve all of these objectives, while others may try to achieve one or two. The first is one of *social obligation*: that is, that able-bodied welfare recipients should work to repay society for the benefits they receive. The second objective is to *increase employability* of welfare recipients by improving their work habits and skills or by providing them with recent experience that they can list on a job application. The third objective is to *reduce the usage or amount of welfare benefits received*, either by assisting welfare recipients to move into the labor force; deterring people who want to avoid the work requirement from applying for or remaining on welfare; "smoking out" individuals who may already have jobs or income they are not reporting to the welfare department; or

---

[35]Unless otherwise indicated, the study references in this section are as follows: Arkansas: Friedlander et al., 1985b; California GAIN: Friedlander, Riccio, and Freedman, 1993; Illinois (Cook County): Friedlander et al., 1987; Maine: Auspos, Cave, and Long, 1988; Maryland (Baltimore): Friedlander et al., 1985a; San Diego I: Goldman, Friedlander, and Long, 1986; San Diego SWIM: Hamilton and Friedlander, 1989; Virginia: Riccio et al., 1986; and West Virginia: Friedlander et al., 1986.

TABLE 1

WELFARE-TO-WORK PROGRAMS STUDIED BY MDRC THAT FEATURE UNPAID WORK EXPERIENCE

Study Name and Start Date	Program Design	Target Population
Arkansas WORK (1983)	Mandatory sequence of group job search workshop followed by individual job search and 12 weeks of WIN Work Experience.	AFDC applicants and recipients with children age 3 or older.
California		
San Diego I (1982)	Test of 2 mandatory programs: (1) group job search (2) group job search followed by 13 weeks of CWEP	AFDC applicants with children age 6 or older; AFDC-U applicants with children of any age.
San Diego SWIM (1985)	Mandatory sequence of job search, CWEP, education and job skills training. Ongoing participation requirement.	Applicants and recipients: AFDCs with children age 6 or older; AFDC-Us with children of any age.
GAIN (1986)	Mandatory education and job search followed by assessment and further education, unpaid work experience, job skills training, or on-the-job training. Ongoing participation requirement.	Applicants and recipients: AFDCs with children age 6 or older; AFDC-Us with children of any age.
Illinois: Cook County WIN Demonstration (Chicago) (1985)	Test of 2 mandatory programs: (1) individual job search (2) individual job search followed by 13 weeks of CWEP	AFDC applicants and recipients with children age 6 or older.
Maine TOPS (1983)	Voluntary sequence of up to 5 weeks prevocational training, 12 weeks WIN Work Experience, and 6 months on-the-job training.	Unemployed AFDC recipients on welfare for at least 6 months, with children of any age.
Maryland: Baltimore Options (1982)	Mandatory choice of individual or group job search, WIN Work Experience, job skills training, on-the-job training.	Applicants and recipients: AFDCs with children age 6 or older; AFDC-Us with children of any age.
Virginia Employment Services (1983)	Mandatory sequence of 4 weeks individual or group job search followed by 13 weeks of CWEP, education, or job skills training.	AFDC applicants and recipients with children age 6 or older.
West Virginia Community Work Experience (1983)	Mandatory CWEP. Ongoing participation requirement.	Applicants and recipients: AFDCs with children age 6 or older; AFDC-Us with children of any age.

SOURCES: Gueron and Pauly, 1991, in addition to individual state reports.

imposing financial sanctions on welfare recipients who do not comply with work requirements.

Which objectives predominate in a program are often indicated by the placement of and relative emphasis given to unpaid work experience. Three distinct program models were implemented in the MDRC studies:

- *A stand-alone model*, in which unpaid work experience was the only activity emphasized. West Virginia was unique in adopting this approach.

- *Sequential models*, in which unpaid work experience followed other program activities. In Arkansas, San Diego I, Illinois, and Virginia, unpaid work experience was placed after a job search component. In San Diego SWIM, a three-stage sequence was implemented consisting of job search, unpaid work experience, and education or training for people who did not find jobs in the first two components. Maine's Training Opportunities in the Private Sector (TOPS) Program involved several weeks of prevocational training (stressing job-seeking and job-holding skills), followed by unpaid work experience, and lastly, on-the-job training (i.e., subsidized work positions in the private sector).

- *Multiple-activity models*, in which unpaid work experience was one of a variety of program choices for welfare recipients. In California's GAIN program, unpaid work experience was an option after an initial sequence of job search or education; it could also be mandated in situations where initial or subsequent activities failed to lead to employment. In Maryland's Baltimore Options program, unpaid work experience could be selected initially or after other program activities were completed.

A program such as West Virginia's, which consisted only of unpaid work experience, was primarily concerned with the social obligation goal. This was not intended to be punitive; local mores in the state placed a premium on work and self-reliance, so unpaid work experience was viewed as a way to make welfare more dignified and culturally acceptable. Sequential programs that first offered job search followed by unpaid work experience tended to have a primary goal of getting people off of welfare and into the labor market as quickly as possible, using job search as a "screen" to separate the more employable from the less employable. Multiple-activity programs often had a primary goal of improving the work skills of welfare recipients and increasing their earnings potential by combining various services and tailoring programs to the needs and interests of individual clients. Once again, the goals were not mutually exclusive – indeed, they could be mutually reinforcing – but decisions on how unpaid work experience was used often indicated which goals were most important or likely to be achieved.

The social obligation goal necessitates that some type of participation requirement be imposed. All of the welfare-to-work programs studied by MDRC were mandatory except for Maine's, which operated on a voluntary basis for AFDC women who wanted to increase their work skills. It is important to note,

however, that among the mandatory programs, the requirement was often interpreted to mean that clients had to participate in *something*, but not necessarily unpaid work experience. For instance, in two sequential programs – in Arkansas and Virginia – the mandatory participation requirement was applied to the initial job search component, but rarely to the second phase of unpaid work experience. In multiple-activity programs like GAIN and Baltimore Options, welfare recipients were required to attend whatever program activities they and their case managers agreed to, but these activities did not necessarily include unpaid work experience. Hence, the level of "mandatoriness" and the extent to which social obligations had to be fulfilled through work varied considerably.

The duration of the unpaid work experience component in most of the programs was 12 or 13 weeks, although sometimes welfare recipients were reassigned and could participate longer. In West Virginia, participation in unpaid work experience was required for as long as people remained on welfare and were "mandatory" registrants. GAIN and San Diego SWIM, it should be noted, required ongoing participation in *some* program activity, but likewise limited unpaid work experience to three months. GAIN also had a provision whereby clients could be placed in unpaid work experience for up to a year if they completed earlier phases of the program without finding a job.

The reasons why most programs chose to limit unpaid work experience assignments to three months were three-fold. First, under federal regulations, programs that implemented WIN work experience (as opposed to CWEP) *had* to restrict the activity to this length of time. Second, by limiting the duration of work assignments, program staff could cycle participants through the same slots without developing new work positions. Third, some administrators and program staff believed that three months was a sufficient amount of time to impart whatever skills or work habits unpaid work experience might provide.

All of the unpaid work experience programs studied by MDRC targeted AFDC recipients, who are predominantly female, single parents. About half of the programs also enrolled AFDC-U recipients, who are primarily men in two-parent households. AFDC-U recipients tend to be easier to place in worksites because by definition they must have had a recent history of work; furthermore, because they are usually living with a spouse, child care tends to be less of a problem. Most of the programs in the MDRC evaluations only required participation of AFDC recipients whose youngest child was age six or older; this enabled most recipients to fulfill work obligations while their children were in school. However, one program – Arkansas's – enrolled AFDC cases with children age *three* and older (which is now the standard for JOBS). Finally, most of the programs studied by MDRC targeted both new applicants for welfare and ongoing recipients. The exceptions were San Diego I – which enrolled *only* new applicants – and Maine, which targeted only women who had been receiving welfare for at least six months.

Program Scale

Program scale refers to the number and proportion of eligible welfare recipients registered for and participating in unpaid work experience. By any measure, most of the unpaid work experience programs evaluated by MDRC were small-scale. To some extent, this was an artifact of the research: although some of the programs studied by MDRC operated on a statewide basis (California's GAIN program, Virginia's Employment Services Program, and West Virginia's CWEP), most of MDRC's *studies* took place within one county or jurisdiction or a small number of counties or jurisdictions within a state. Maine was the only statewide evaluation. There are three other important factors, however, that tended to restrict the size of unpaid work experience within the study areas:

- First, generally not all welfare recipients were intended to be enrolled in welfare-to-work programs. Most programs had basic eligibility criteria for registering welfare recipients. For instance, AFDC recipients were only considered "mandatory" in most states if the youngest child was age six or older. Some sites narrowed the eligibility pool further by registering only welfare applicants (San Diego I) or recipients on welfare for at least six months who volunteered for the program (Maine). Some programs also had a limited number of slots in their welfare-to-work program. Baltimore Options, for instance, had only 1,000 slots available during the evaluation period.

- Second, among registrants, not everyone was targeted for unpaid work experience. Persons randomly assigned to the control group (up to half of the registrant pool) were automatically excluded. Among the remaining registrants, staff or clients sometimes made a determination of whether unpaid work experience was appropriate for the clients; targeting decisions were made accordingly. In some sequential programs, many clients left welfare during job search and therefore did not have to go to unpaid work experience, or were considered to have fulfilled their program obligation if they attended job search regularly and made a good effort in looking for work.

- Third, not all of those targeted for the program actually participated in unpaid work experience, due to factors such as normal welfare dynamics and their willingness to attend. (Actual program participation patterns and reasons for nonparticipation are discussed at the end of this section.)

Other than the MDRC control group, the eligibility and targeting criteria and participation patterns mentioned above are likely to limit program scale under any scenario in which unpaid work experience is implemented.

The previous discussion suggests that there is a "funneling" effect that results in far fewer welfare recipients participating in unpaid work experience than are on the welfare rolls in a state or community. This is indeed the case, as Table 2 shows. All but one of the welfare-to-work programs studied by

TABLE 2

ESTIMATES OF SCALE AND TARGETING OF UNPAID WORK EXPERIENCE PROGRAMS STUDIED BY MDRC

Program Name	Study Area	Number of Welfare Cases in Study Area (a)	Percent Registered for Welfare-to-Work Program (b)	Percent Targeted for Unpaid Work Experience (c)	Percent Participated in Unpaid Work Experience (d)
AFDC recipients					
Arkansas WORK	2 counties	4,400	26.2	3.5	0.4
California					
San Diego I	Countywide	30,500	17.9	2.0	1.2
San Diego SWIM	Countywide (e)	33,300	35.1	10.2	3.5
Illinois: Cook County WIN Demonstration	Countywide	161,300	10.8	1.2	0.4
Maine TOPS	Statewide	16,600	2.7	1.6	1.2
Maryland: Baltimore Options	10 out of 18 welfare offices	22,500	13.1	5.3	1.2
Virginia Employment Services	9 counties	10,700	57.7	4.9	3.6
West Virginia Community Work Experience	21 counties	8,400	58.6	25.3	6.1
AFDC-U recipients					
California					
San Diego 1	Countywide	5,900	83.9	9.6	6.2
San Diego SWIM	Countywide (e)	4,800	100.0	39.3	13.7
Maryland: Baltimore Options	10 out of 18 welfare offices	400	92.0	37.4	6.4
West Virginia Community Work Experience	9 counties (f)	1,200	100.0	100.0	60.4

SOURCES: Final reports from individual state evaluations; California State Department of Social Services, Statistical Services Bureau; Price, 1985; Quint, 1984b.

NOTES: (a) Approximate number of welfare cases in the study area at the time the evaluation began.

(b) Percent of welfare cases in the study area who were registered for the welfare-to-work program during the intake period for the research sample. Registrants include MDRC program and control group members and clients not included in the MDRC research.

(c) Percent of welfare cases in the study area that the program intended to enroll in unpaid work experience (see Appendix for specific program examples).

(d) Percent of welfare cases in the study area who participated in unpaid work experience at least one day.

(e) The San Diego SWIM evaluation was conducted in two out of seven county welfare offices, but job search and CWEP operated countywide. San Diego County figures are included in this table.

(f) The West Virginia AFDC-U study compared program participation patterns and effects in saturation and comparison areas. These figures represent the saturation areas only.

MDRC *registered* less than 60 percent of the predominantly female, single-parent AFDC cases within the study area. (Registered cases include all MDRC program and control group members, in addition to any welfare recipients in the program but not included in the research.) The percentage of welfare recipients *targeted* for unpaid work experience was smaller still. (Targeted cases include MDRC program group members and nonresearch clients whom staff intended to enroll in unpaid work experience.) West Virginia and San Diego SWIM targeted about 25 and 10 percent of their AFDC caseloads for CWEP, respectively, but the other sites targeted approximately 5 percent of their caseloads or less. Finally, the AFDC recipients who ever *participated* in unpaid work experience – expressed as a percentage of all AFDC cases within a study area – ranged from a low of under 1 percent to about 6 percent. (GAIN is not included in Table 2 because data on the number of clients targeted for unpaid work experience were not available.)

The scale of unpaid work experience programs for AFDC-U recipients – measured in terms of the proportion of eligible cases registered and participating in unpaid work experience – tended to be larger. Although AFDC-U cases were fewer in number than AFDC cases, they were automatically *registered* for welfare-to-work programs in San Diego SWIM and West Virginia as a condition of eligibility. In San Diego I and Baltimore Options, more than 80 percent of the AFDC-Us were registered. The percentage of AFDC-U recipients *targeted* for unpaid work experience in San Diego I, San Diego SWIM, Baltimore Options, and West Virginia was also higher than for AFDC recipients in these sites, due to the fact that many programs considered unpaid work experience to be a more appropriate activity for a population that (unlike the AFDC population) is predominantly male, living with a spouse, and recently unemployed. The percentage of AFDC-U cases who actually *participated* in unpaid work experience ranged from a high of 60 percent in West Virginia to a low of about 6 percent in San Diego I and Baltimore Options.

West Virginia was a particularly unusual case in that the AFDC-U study was specifically designed as a test of "saturation" – that is, to maximize the proportion of eligible clients who participated in CWEP for the duration of their time on welfare. CWEP was the only activity offered, and *all* AFDC-U cases were targeted. There was also no random assignment to a control group in the West Virginia AFDC-U study, so the percentage of clients targeted for unpaid work experience was the same as the percentage of clients registered. (The West Virginia research design is discussed in Section V of this paper.) San Diego SWIM, which had the second highest registration and targeting rates for AFDC and AFDC-U recipients, was also a test of saturation, but MDRC randomly assigned half of the registrants to a control group. Moreover, CWEP was the second component in SWIM (following job search), and therefore was targeted to fewer recipients than in West Virginia.

Subsequent sections of this paper will address the cost and operational implications of program scale. In general, larger-scale programs suggest greater economies, but may be more challenging for welfare agencies to implement and administer.

Participation Patterns

The discussion of program scale is useful in understanding the magnitude of unpaid work experience programs evaluated by MDRC, but does not illuminate how welfare recipients – once assigned to unpaid work experience – actually make use of this activity. The following discussion examines this issue in depth, focusing on the participation patterns of AFDC and AFDC-U applicants and recipients randomly assigned to the program group. Note that random assignment was limited to those eligible for the welfare-to-work program and occurred either at the point of AFDC application or welfare-to-work program registration, and thus captured a smaller and more select group than all AFDC or AFDC-U recipients in a study site's welfare caseload.[36] MDRC collected program records, conducted reviews of client casefiles, and interviewed program staff and participants to answer three key participation questions: First, to what extent did clients in the welfare-to-work programs studied by MDRC ever attend unpaid work experience? Second, what was the nature of this participation: that is, how long and intensively did people participate? Third, what were the reasons for *non*participation?

The first answer is presented graphically in Figures 1 and 2, which show the percentage of AFDC and AFDC-U program group members, respectively, who ever attended *any* activity in a welfare-to-work program and who specifically attended unpaid work experience within 9 to 12 months of random assignment.[37] Among the AFDC studies, Maine's TOPS program showed the highest rate of attendance overall (90 percent) and in unpaid work experience (68 percent), although Maine was unusual in that it served only people who volunteered for the program and whom staff deemed appropriate for enrollment. Maine was also one of the smallest-scale programs evaluated by MDRC. San Diego SWIM had the highest overall attendance of the mandatory programs (64 percent) and the second highest level in unpaid

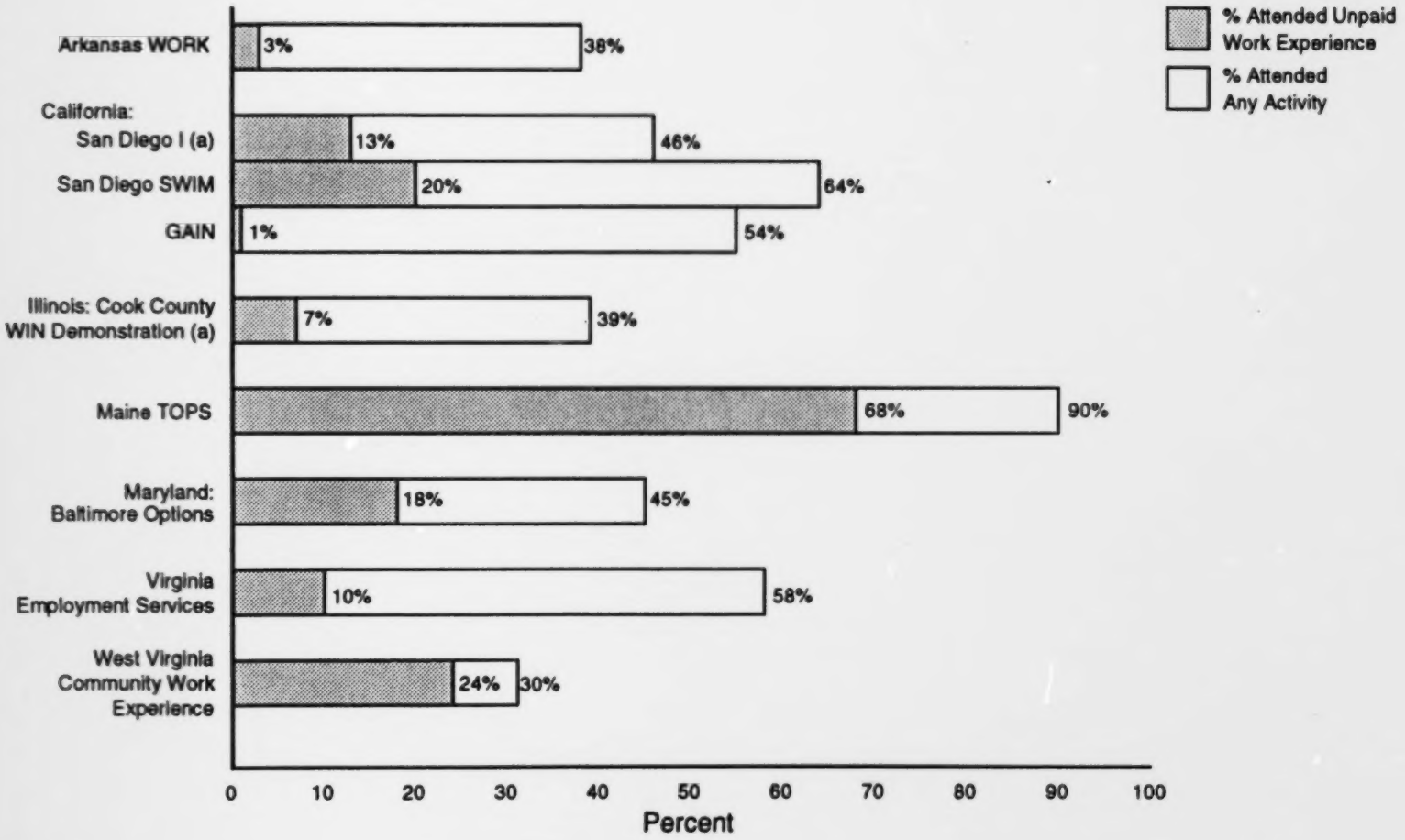
---

[36]Random assignment occurred over a period of 27 months in MDRC's evaluation of California's GAIN program, and between 7 and 14 months in the other study sites. The AFDC program group samples ranged from approximately 300 in Maine to nearly 18,000 in GAIN. AFDC-U program group samples ranged from about 350 in Maryland's Baltimore Options to more than 7,000 in GAIN. For dates of random assignment, program group size, and sample characteristics, see the individual state reports cited at the beginning of this section.

[37]"Ever attended" includes any program-approved activities (including self-initiated activities) while clients remained on welfare. Note that MDRC's definition of attendance (which counts attendance of one day or more) is different from federal measures of participation in the JOBS program (which tally monthly participation in activities that average 20 hours per week or more among all participants).

FIGURE 1

PERCENT OF AFDC PROGRAM GROUP MEMBERS ATTENDING UNPAID WORK EXPERIENCE AND ANY OTHER ACTIVITY



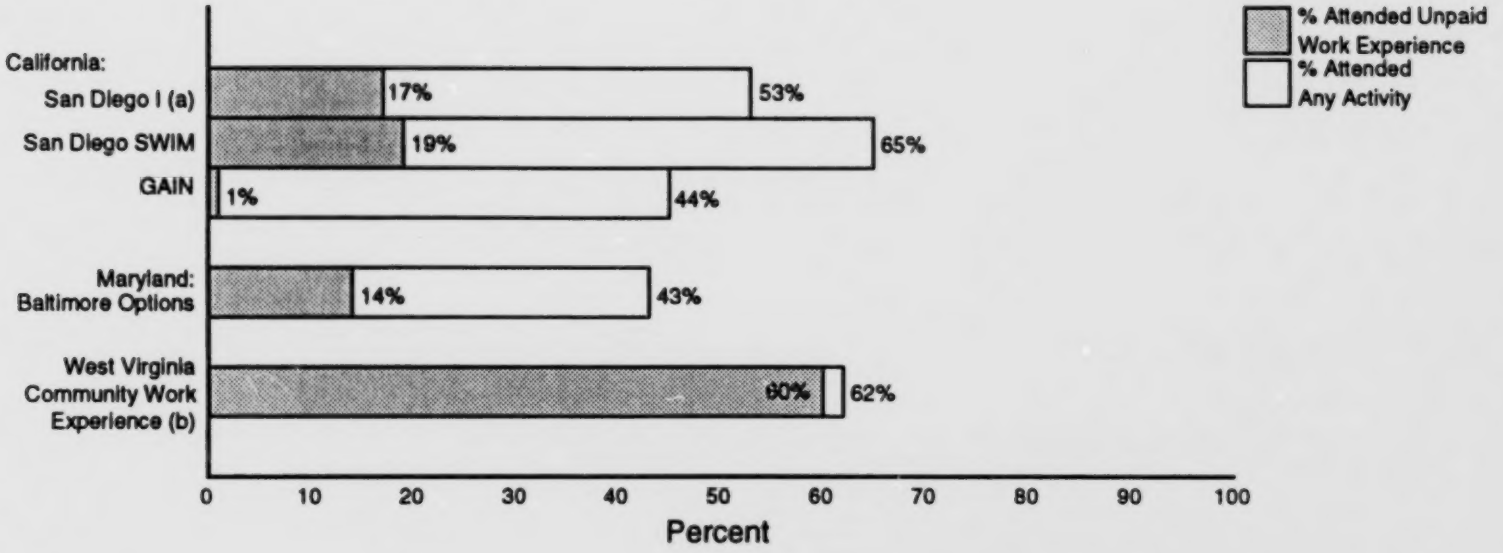
SOURCES: Gueron and Pauly, 1991; Friedlander et al., 1986; Riccio and Friedlander, 1992.

NOTES: Figures represent percentage of AFDC program group members who attended unpaid work experience and any other activities at least once within a 9- to 12-month follow-up period. Initial program orientation or registration activities are not included in attendance figures.

(a) Figures for San Diego I and Cook County reflect experimentals in the job search/CWEP stream.

FIGURE 2

PERCENT OF AFDC-U PROGRAM GROUP MEMBERS ATTENDING UNPAID WORK EXPERIENCE AND ANY OTHER ACTIVITY



SOURCES: Friedlander et al., 1985a; Friedlander et al., 1986; Goldman, Friedlander, and Long, 1986; Hamilton and Friedlander, 1989; Riccio and Friedlander, 1992.

NOTES: Figures represent percentage of AFDC-U program group members who attended unpaid work experience and any other activities at least once within a 9- to 12-month follow-up period. Initial program orientation or registration activities are not included in attendance figures.

(a) Figures for San Diego I reflect experimentals in the job search/CWEP stream.

(b) The research design for West Virginia compared program participation patterns and effects for AFDC-Us in saturation and comparison areas. Saturation area attendance figures are presented here.

work experience (20 percent). West Virginia had the highest rate of attendance in unpaid work experience among the mandatory programs (24 percent). GAIN's participation rate in unpaid work experience was the lowest (1 percent). Except for Maine and West Virginia, unpaid work experience accounted for less than half the *total* attendance in welfare-to-work programs.

Among the AFDC-U group, San Diego SWIM once again had the highest *overall* attendance, but West Virginia led in the unpaid work experience category with 60 percent participation. These high rates were a manifestation of the saturation experiments conducted in these two programs. Nearly one client out of five attended unpaid work experience in San Diego I, San Diego SWIM, and Baltimore Options. Once again, GAIN – at 1 percent – had the lowest rate of participation in unpaid work experience.

It is worth noting that *within a given month*, the percentage of clients participating in unpaid work experience is usually less than the percentage of clients who *ever* participate. In West Virginia, for example, monthly CWEP participation rates ranged from a low of 46 percent to a high of almost 70 percent of the monthly AFDC-U caseload. In San Diego SWIM, monthly participation rates for AFDC and AFDC-U recipients in unpaid work experience averaged anywhere from about 1 percent to a little over 10 percent. SWIM's monthly participation rate in *any* program-sponsored activity – including job search, unpaid work experience, and education or training – ranged from 26 percent to 39 percent.[38] The proportion of clients who *ever* attended unpaid work experience increases gradually over the course of a 9- to 12-month follow-up period, but *within-month* participation levels are limited by such factors as the program's ability to make work assignments and the clients' ability and willingness to comply.

Before addressing the second question – on length and intensity of participation – recall that most unpaid work experience programs were designed to last 12 or 13 weeks. West Virginia was the only state that had an open-ended program. The number of hours per week varied depending on state and local guidelines and participants' welfare grant amounts (in places where the number of work hours were determined by dividing grants by minimum wage). Participation patterns varied from program to program, but on average clients attended for a lesser number of weeks and hours than they were assigned. For instance, in Cook County, Illinois, AFDC applicants and recipients were scheduled to attend unpaid work experience for three months, with the number of hours ranging from 20 to 40 per month. Of those who attended, 25 percent worked 1 to 20 work days; 35 percent worked 21 to 40 work days; and 34 percent worked 41 to 60 work days. A small group of participants – 7 percent – worked over 60 work days, indicating that in some cases individuals were reassigned to unpaid work experience. In San Diego

[38]Hamilton, 1988.

I, assignments for AFDC and AFDC-U applicants lasted 13 weeks, with a maximum of 32 hours per week. Of those who worked, less than half completed 80 percent or more of the hours to which they were assigned. Within a follow-up period of one year, the average number of hours clients ever worked was 171, or the equivalent of about 21 eight-hour work days.

The unlimited duration of unpaid work experience in West Virginia gives intensity of participation in that state a different meaning. During a 15-month follow-up period, the average length of participation among AFDC registrants who worked was ten and a half months. MDRC tracked a subsample of this group for two and a half years, and found that 20 percent of these registrants were still working at the end of this time frame. Among a subsample of AFDC-U registrants who participated in CWEP in the saturation areas, the average length of participation was twelve and a half months during a three-year follow-up period. Twelve percent of the AFDC-U registrants were still working at the end of three years. These findings are important because they indicate that it is possible to involve people in unpaid work experience on an ongoing basis for a considerable period of time. West Virginia's achievement was made possible, however, by the program staff's commitment to running CWEP on an ongoing basis; adequate worksite capacity derived from an extensive state history of running work programs for welfare recipients; special funding to enable saturation of the AFDC-U caseload in the study areas; and poor economic conditions, which tended to keep people on welfare and in CWEP for a long period.

Factors That Inhibit Participation in Unpaid Work Experience

Participation figures are like the proverbial half-filled glass of water: whether it is half full or half empty depends on one's perspective. On one hand, most of the welfare-to-work programs studied by MDRC had participation rates above those achieved in the WIN program.[39] Nearly all of the programs succeeded in getting one-third or more of the eligible registrants to attend some activity at least once within a 9- to 12-month follow-up period. On the other hand, many people clearly did *not* participate, or did not participate very long. Notably, the current federal JOBS program – which was not in effect while these evaluations were taking place – sets much more rigorous participation standards, ultimately requiring that 20 percent of the eligible caseload in a state attend JOBS activities for an average of 20 hours or more per week in order for the state to receive its full allotment of federal matching dollars.[40]

What inhibits greater participation in welfare-to-work programs generally, and in unpaid work

---

[39]Gueron, 1987.

[40]Gueron and Pauly, 1991.

experience in particular? These studies suggest that the major factors include normal welfare dynamics; program design; program capacity; client characteristics or circumstances that affect their readiness for work; and clients' willingness to participate.

- *Normal welfare dynamics*. A common misperception is that once people go on welfare they will receive benefits continuously for many years. In fact, most of the women who go on AFDC have short spells of two years or less, although about one-third of the women who end a spell will return for another period of receipt.[41] MDRC research bears this out. In San Diego I, for example, half of the AFDC applicants assigned to the control group – that is, the group that was never exposed to job search or unpaid work experience – was off of California's welfare rolls one year later. By 18 months, *two-thirds* were no longer receiving state welfare payments. Even in West Virginia, where the economy was extremely poor, about two-fifths of the AFDC applicants and recipients assigned to the control group were off of the state's AFDC rolls 21 months later.

  In the context of a welfare-to-work program, the constant exiting of clients from the system means that people who are determined to be mandatory program registrants one month may be off the rolls the next, and therefore are no longer subject to the participation requirement. Even if these people go back on the rolls, the process of registering them for a program usually begins again; several months may pass before they attend a program activity. It is also common for welfare recipients to change over from "mandatory" to "exempt" program status, meaning that they are no longer required to attend program activities. Exemption status may be granted for pregnancy or birth of a child; working 30 hours or more per week; disability; or caretaker responsibilities for someone who is sick or disabled, to name several possibilities. Mandatory clients go off welfare or become exempt with surprising frequency. In San Diego SWIM, for example, only 37 percent of the mandatory clients remained eligible for SWIM throughout the 12-month follow-up period. On average, within a one-year time span, SWIM registrants maintained eligibility for the program for slightly less than eight months.[42]

- *Program design*. It was noted earlier that the participation rate in unpaid work experience was less than half of the *overall* participation rate of most of the welfare-to-work programs studied by MDRC. To a large extent this is because most of these programs were sequential, with unpaid work experience as the second (or third or fourth) activity. It stands to reason, therefore, that participation in unpaid work experience would be lower than in other activities for several reasons: normal welfare dynamics cause some people to go off welfare or become exempt from program participation requirements before unpaid work experience begins; initial program activities (typically, job search) cause some people to obtain employment or leave welfare; and logistical issues – such as getting clients from the first program activity to the next – delay enrollment for some people. West Virginia arguably had the

[41]Bane and Ellwood, 1983.
[42]Hamilton, 1988.

highest attendance rates in unpaid work experience among the mandatory programs because this was the first and only activity offered. The opposite was true in GAIN and Baltimore Options, where unpaid work experience was one of a variety of program choices, and therefore competed against other activities such as job search, education, and vocational training.

The extent to which a mandatory participation requirement is enforced will also affect participation. As indicated previously, West Virginia's AFDC-U program and San Diego SWIM were unusual in that they required ongoing participation of eligible clients in unpaid work experience or other program activities as long as recipients remained on welfare. On the other end of the scale, Arkansas and Virginia typically required participation only in an initial job search component. Maine's TOPS program had an exceptionally high rate of attendance overall and in unpaid work experience, but this is because the research sample only consisted of those who volunteered and who were determined by staff to be suitable for the program. Note as well that while the *percentage* of clients served in Maine was high, the actual *number* was low. Voluntary programs of this type are likely to attract only a limited number of people.

- *Program capacity*. Participation in unpaid work experience will obviously be low if worksites are not available. In at least two of the welfare-to-work programs evaluated by MDRC – in Arkansas and Virginia – very little worksite development took place, primarily because program dollars were very limited and welfare staff had other, more pressing responsibilities. In some instances, staff were opposed to unpaid work experience or were inadequately instructed on how to apply the requirement.

- *Client characteristics or circumstances*. Not all welfare recipients are ready or able to work, even in low-skilled jobs. Across the unpaid work experience programs evaluated by MDRC, staff concluded that it would do little good – either for clients or worksite sponsors – to send clients to jobs they could not perform. For example, some clients lacked basic academic skills, such as reading, that were essential to following instructions at the worksite or performing a task. Some clients could not make adequate child care or transportation arrangements (particularly those living in remote rural areas). Others had physical or emotional problems that impeded participation. These were the major reasons staff cited for not sending welfare recipients to worksites, though some staff also mentioned that they would screen out clients who seemed "unreliable" or poorly motivated.[43]

  Program decisions on targeting clearly influence the readiness of the client population for work. For example, AFDC-Us by definition have recent employment experience; they therefore tend to be more easily placed in worksites than AFDC clients. AFDC-Us also tend to be two-parent households, thereby minimizing problems with child care. New applicants to welfare likewise tend to be more employable than ongoing welfare recipients, since they tend to have more recent work experience and higher levels of education than people who have been on the rolls for some period of time.

---

[43]See, e.g., Ball, 1984; and Auspos, 1985.

- *Clients' willingness to participate*. Some people will refuse to participate in mandatory welfare-to-work programs, even if told that participation is required and even if faced with a financial sanction. In most of the welfare-to-work programs studied by MDRC, the rate of requested sanctions for noncompliance within a 9- to 12-month follow-up period was low: five percent or less. The programs with the highest rate of requested sanctions were Cook County, Illinois (12 percent), San Diego SWIM (11 percent), and one county in California's GAIN program (Riverside County, at 15 percent). There was evidence that in some programs rates of noncompliance were higher than the sanctioning levels would suggest, but that program staff either chose to ignore the noncompliance or used methods other than sanctioning (such as meeting with clients or contacting them by telephone or letter) to urge clients to attend.

If unpaid work experience is introduced as a final stage of a time-limited welfare proposal, these same factors are likely to limit participation. Many people will already have exited welfare before their two years expires, although the number could be smaller or larger depending on whether repeat "spells" are counted in reaching the two-year limit. Regardless, those who are left on welfare at the end of two years will likely be the hardest to place on worksites, since they will tend to be recipients whose personal characteristics, circumstances, or willingness to work present the greatest barriers to employment.

The participation rates in GAIN provide an instructive example, since the program model is similar to how unpaid work experience might be used under time-limited welfare. GAIN is a sequential, multiple-activity program that begins with either basic education or job search, depending on a registrant's educational background and test scores. This first component is followed by an assessment that can lead to a placement in vocational education, skills training, or unpaid work experience. Unpaid work experience is called Pre-Employment Preparation (PREP). PREP assignments are made at the end of the service sequence. GAIN registrants who either do not complete their post-assessment education or training assignment, or who complete them and do not find a job, are to be placed in a long-term PREP assignment (up to one year). Counties also have the option of assigning clients to short-term PREP after assessment, where the placement is limited to three months. In both the short- and long-term tracks, PREP assignments are limited to a maximum of 32 hours a week.

Short-term PREP in most GAIN counties was generally viewed by staff as a training program to teach registrants job skills and good work habits. Long-term PREP, on the other hand, was viewed more as a last resort for registrants who had not participated effectively in earlier components. In this latter respect, PREP was intended to function in a way similar to unpaid work experience under time-limited welfare proposals.[44]

---

[44]Riccio et al., 1989.

MDRC analyzed participation patterns in GAIN in 14 of California's 58 counties. In eight counties, participation rates by component were determined within six months of registration; for the remaining six counties, participation data were available after 11 and 24 months.[45] The longitudinal data did not change the basic story. For the group of counties with six months of follow-up after registration, less than 1 percent of GAIN registrants participated in PREP. Rates were also less than 1 percent for the group of counties with 11 months of follow-up and remained at about this level after 24 months, although there were slight increases in a few counties at the later point.

Participation in PREP was low primarily because – even at 24 months – most GAIN registrants had not reached this stage of the program: they had either gone off welfare, remained on AFDC but deregistered from GAIN, or were still in initial-stage activities. Participation was also low because to date most counties have chosen not to emphasize PREP, or have restricted its use. In Kern County, for instance, PREP participants were usually in the short-term track, and referrals were limited only to those who already possessed some short-term skills. GAIN administrators reported that it would have been inappropriate to send unqualified individuals to worksites since they would need a great deal of assistance or supervision. Other counties reported using short-term PREP as a holding group for registrants waiting to enter training programs.

While PREP has remained a very small component of GAIN since the JOBS legislation passed in 1988, there have been some counties that have been increasing their utilization of this component, most notably, San Diego. According to county-reported data, approximately 11 percent of GAIN participants were in PREP in 1992, most of whom were in short-term PREP. The increased use of PREP was attributable primarily to two factors. First, San Diego requested and obtained a waiver from the regular GAIN sequence that allowed the county to refer clients to PREP as an initial activity. Second, the county was able to maintain a surplus of available work slots from the earlier SWIM and San Diego I programs, and had staff with experience marketing unpaid work experience to potential participants and worksite sponsors. San Diego County staff viewed PREP as a practical way of providing meaningful employment experience to welfare recipients rather than as a means to "work off" a grant. Clients are being assigned to job search after PREP so that they can "sell" whatever knowledge or experience they have acquired to potential employers.

---

[45]Six-month participation data are found in Riccio et al., 1989. Eleven-month participation data are found in Riccio and Friedlander, 1992. Twenty-four month data are from unpublished MDRC analyses.

Conclusion

The MDRC studies examined unpaid work experience implemented in a variety of settings and with a range of programmatic approaches, but the scale of the programs – relative to the welfare caseloads in a state or community – tended to be small across the board. Among clients randomly assigned to the MDRC program groups, participation rates in unpaid work experience ranged from a high of 68 percent in Maine's TOPS program to a low of 1 percent in California's GAIN program, but most programs served fewer than one-fifth of the program group members in this activity. This does not mean that the programs performed poorly; *overall* participation rates tended to be much higher, but factors related to program design often restricted the percentage of people who participated in unpaid work experience. Welfare dynamics, worksite capacity, and client characteristics and circumstances also limited the level of participation. None of the programs studied by MDRC assigned welfare recipients to unpaid work experience without some initial screening to ensure that the assignments were appropriate for clients and worksites alike.

The next section focuses attention on the perceptions of and attitudes toward unpaid work experience by program participants and worksite supervisors.

IV. Worksite Experiences

In theory, if the primary policy goal of unpaid work experience is to enforce a quid pro quo on welfare recipients, then the meaningfulness of the work may be a secondary concern. Yet, based on the experience of earlier programs, it is questionable whether the general public, potential worksite sponsors, and welfare recipients would be willing to accept a work requirement that does not provide worthwhile work, even if it is the obligation that is being emphasized. If, on the other hand, unpaid work experience is intended to provide an opportunity for participants to develop employment skills and to speed the transition to unsubsidized work, then the nature of the work performed and its perception by participants and supervisory staff at the worksites become key factors. Therefore, much of the policy debate about unpaid work experience has hinged on the nature of the work itself: that is, whether the positions are of a punitive and "make work" nature; or whether they produce useful goods and services, provide dignity, and develop work skills.[46]

The 1980s welfare-to-work studies attempted to answer these questions by examining how unpaid work experience programs were implemented; how participants viewed their positions; and how participants, in turn, were viewed by their supervisors at the worksites. Interviews with a random sample of participants in six of the unpaid work experience programs evaluated by MDRC – Arkansas, Virginia, San Diego, Cook County, Baltimore, and West Virginia – and in New York City[47] – examined whether the positions were seen as "make work" or useful and productive jobs; whether the work obligation was considered fair by participants; and whether participants developed work skills.[48] Gueron summarized these results as follows:[49]

- The jobs were generally entry-level positions in maintenance, clerical work, park service or human services.
- Supervisors judged the work important; found that participants performed at comparable levels to entry-level regular employees; but did not think that participants for the most part acquired new or improved skills on the job.
- The majority of participants were positive about their assignments and believed they were making a useful contribution.

---

[46]Gueron, 1987.

[47]MDRC only conducted a worksite survey in New York City; it did not evaluate the participation patterns, impacts, or costs of New York City's program.

[48]Hoerz and Hanson, 1986.

[49]Gueron, 1987.

- Nevertheless, many participants believed that the employer got the better end of the bargain or that their welfare checks provided inadequate compensation for their work. In brief, they would have preferred a paid job.

Gueron also cautioned against overstating these findings, which are limited in two respects. First, the interviews only reflect the experiences of program-eligible welfare recipients who participated in unpaid work experience. They do not reflect the views of welfare recipients who did not participate, but who may have been affected by the program mandate in other ways: for example, by deciding to withdraw their application for welfare, or by being sanctioned for failure to participate.[50] Second, the results may not be applicable to programs lasting longer than the typical 13-week assignments that were studied here, nor to larger-scale programs where the number of positions or participants requiring assignments may affect the quality of individual job assignments. Nevertheless, the worksite survey results do indicate that – on at least a small to moderate scale – states can design viable workfare programs that are valued by participants and employers. The findings are discussed in more detail below.

What kinds of jobs were participants assigned to in CWEP and how were participants matched to jobs? Table 3 shows the number and distribution of unpaid work experience participants in government and nonprofit agencies in four evaluation sites where these data were collected: San Diego I, West Virginia, Maryland, and Arkansas. The majority of work assignments in these sites, with the exception of Arkansas, were in public agencies. State or municipal departments of public works, social services, parks, general administration, and education were the dominant work sponsors. For example, about half of the AFDC-U men who participated in West Virginia's CWEP program were placed in public works, parks or recreation, or general administration agencies. San Diego also relied heavily on these two agencies, along with the Departments of General Administration and Education. The Maryland and Arkansas programs used jobs in the Department of Social Services more extensively. This was also true in New York City, where the most common sponsors were neighborhood-based welfare offices. Nonprofit organizations represented 29 percent of the jobs overall, clustering in social service organizations: multiservice centers, youth services, senior citizens' centers, and day care centers. Arkansas' program had the majority of placements in nonprofit organizations, as did Illinois (not represented in the table).

The development of worksites was influenced by economic and budgetary factors. The demise of

---

[50]In the San Diego I evaluation, all AFDC and AFDC-U applicants were asked about their awareness of the work requirement, even if they were not registered for or did not participate in CWEP. The majority of applicants were unaware of the work requirement, which suggests that it probably had little effect on their decision to complete their welfare application. See Goldman et al., 1985.

TABLE 3

PERCENTAGE DISTRIBUTION AND NUMBER OF WORK EXPERIENCE PARTICIPANTS, BY AGENCY TYPE AND STATE

Agency Type	San Diego, California (AFDC and AFDC–U) (%)	West Virginia (a) (AFDC) (%)	West Virginia (a) (AFDC–U) (%)	Baltimore, Maryland (AFDC) (%)	Arkansas (AFDC) (%)	Total (%)
Public sector						
State armories	0	0	1	0	0	0
Public works	19	16	35	7	0	25
Utilities/sanitation	1	0	4	6	0	2
General administration	12	8	7	5	4	8
Parks/recreation	13	2	8	5	3	8
Protective services	1	1	2	28	0	3
Social services	3	9	1	23	13	5
Transportation	1	0	1	1	0	1
Housing	0	2	3	2	2	2
Animal control/shelter	1	0	0	0	0	0
Culture/arts	2	2	1	5	4	1
Education	13	10	8	1	1	8
Health	3	8	5	8	3	5
Police/legal	0	0	0	0	3	0
Military	0	0	0	0	2	0
Conservation/agriculture	0	0	0	0	1	0
Miscellaneous	0	1	3	0	0	2
Subtotal (number)	68 (388)	59 (179)	79 (1257)	90 (140)	35 (105)	71 (2069)
Nonprofit sector						
Youth services	16	3	1	2	3	4
General administration	0	0	0	0	1	0
Parks/recreation	0	0	1	0	0	0
Multiservice organizations	4	10	6	0	9	6
Senior citizen services	3	9	3	0	4	4
Social services	0	10	4	0	0	3
Employment/training	2	1	1	2	2	1
Housing	0	2	1	0	1	1
Education	3	3	1	1	7	2
Culture/arts	0	0	0	0	0	0
Day care	0	0	0	0	31	3
Health/nutrition	4	2	2	5	7	3
Volunteer fire departments	0	1	2	0	0	1
Miscellaneous/unclassifiable	5	1	1	1	1	2
Subtotal (number)	32 (179)	41 (126)	21 (342)	10 (15)	65 (199)	29 (861)
Totals (number)	100 (567)	100 (305)	100 (1599)	100 (155)	100 (304)	100 (2930)

SOURCES: Goldman et al., 1984; Ball, 1984; Quint, 1984a; Quint, 1984b; Friedlander et al., 1986; Friedlander et al., 1987; Goldman, Friedlander, and Long, 1986.

NOTES: (a) West Virginia AFDC–U figures represent saturation areas only.

Public Service Employment in 1981 under the Comprehensive Employment and Training Act (CETA) and cuts in other federal grants to communities – combined with the 1981-82 recession – forced cutbacks in local government services and increased the demand for alternative sources of "free labor." West Virginia's proposal for a CWEP demonstration specifically pointed to the need for subsidized workers to make up for the CETA positions that had been curtailed.[51] Similarly, New York City's program was developed in the aftermath of Public Service Employment, at a time when agencies were facing budget cuts and hiring freezes.

Table 4 shows the different jobs participants had in four programs where these data were collected: San Diego I, West Virginia, Maryland, and Illinois. The majority of worksite assignments were entry-level clerical positions or janitor/maintenance jobs. Assignments were generally made along traditional gender lines, with women assigned to clerical and service jobs such as caring for children or the elderly. Men tended to be assigned to janitorial and custodian positions, grounds maintenance, and garbage collection. For instance, in West Virginia, 70 percent of the women were assigned to clerical or service jobs compared to 13 percent of the men. In contrast, 79 percent of the men were in construction or maintenance jobs compared to 26 percent of the women.

Some typical assignments in different sites included the following:

- A woman works as an office aide in a community nonprofit agency, keeping records, answering phones, and greeting people. (West Virginia)
- A woman assists at a senior citizens' center preparing and serving food. (West Virginia)
- A group of men assigned to a public works department sweep streets, dig ditches, load garbage, repair potholes, and fix flat tires. (West Virginia)
- A woman files case records at an Income Maintenance center. (New York City)
- A woman does light housekeeping, shopping, and laundry for the elderly in a home care program. (New York City)
- A woman answers the phone and checks on licensing status at the State Liquor Authority. (New York City)
- A woman prepares files, mails acceptance letters, and collates material for a Head Start program. (San Diego)
- A man mows, edges, and weeds grounds, picks up litter, sets up bleachers, repairs

[51]Friedlander et al., 1986.

TABLE 4

PERCENTAGE DISTRIBUTION AND NUMBER OF WORK EXPERIENCE PARTICIPANTS, BY JOB CLASSIFICATION AND STATE

Job Classification	San Diego, California (AFDC and AFDC-U) (%)	West Virginia (a) (AFDC) (%)	West Virginia (a) (AFDC-U) (%)	Baltimore, Maryland (AFDC) (%)	Cook County, Illinois (AFDC) (%)	Total (%)
Clerical jobs (number)	37 (168)	41 (115)	2 (24)	61 (94)	22 (523)	20 (924)
General office clerk, file clerk, mail clerk	23	21	1	33	n/a	5
Stock clerk, record clerk, clerk typist	1	13	0	10	n/a	1
Receptionist, appointment clerk	5	4	0	6	n/a	1
Miscellaneous clerical	7	4	0	12	n/a	1
Service jobs (number)	3 (14)	29 (82)	11 (140)	3 (5)	10 (228)	1 (469)
Kitchen helper, diet aide, hospital aide	2	15	3	2	10	7
Housekeeper, launderer	0	6	1	0	n/a	1
Warehouse worker	0	0	5	0	n/a	1
Miscellaneous services	1	8	2	1	n/a	1
Indoor/outdoor maintenance (number)	37 (168)	19 (53)	48 (608)	17 (26)	23 (554)	31 (1,409)
Groundskeeper	10	1	11	0	n/a	4
Janitor/porter	26	18	22	13	n/a	1
Building repair, maintenance	0	0	0	4	n/a	0
Sewage and refuse disposal	0	0	15	0	n/a	4
Miscellaneous jobs (number)	23 (107)	4 (10)	8 (107)	19 (30)	45 (1,082)	29 (1,336)
Tutor, teacher's aide, child care worker	6	0	0	1	45	24
Group recreational leader, program aide	9	0	0	0	n/a	1
Agriculture and forestry	0	0	6	0	n/a	2
Security guard	0	0	0	10	n/a	0
All others	9	3	3	8	n/a	2
Construction (number)	0 (0)	7 (20)	31 (392)	0 (0)	0 (0)	9 (412)
Weatherization, building repair, road repair	0	6	24	0	n/a	7
Water line construction and maintenance	0	1	4	0	n/a	1
Carpenter's helper	0	0	3	0	n/a	1
Totals (number)	100 (457)	100 (280)	100 (1,271)	100 (155)	100 (2,387)	100 (4,550)

SOURCES: Goldman et al., 1984; Ball, 1984; Quint, 1984b; Quint and Guy, 1986.

NOTES: (a) West Virginia AFDC-U figures represent saturation and comparison areas.

fences, and assists in maintaining lawn sprinklers at a city park. (San Diego)

- A man assists a head painter by sanding, scraping, masking, and cleaning up in the maintenance department of a public school. (San Diego)

Assigning CWEP participants to worksites involved, to some extent, staff assessments of the skills and job interests of participants and the needs of the sponsoring agency. More frequently, the assignment process was dictated by immediate practical considerations such as the availability of slots and the transportation and child care needs of participants. MDRC's studies of CWEP programs found that transportation availability was the single most important determining factor for where participants were placed. For example, in San Diego, counselors attempted to find positions that matched recipients' backgrounds and interests and that were close to their homes. However, when a choice between these factors had to be made, geography was generally the determining factor, both because it minimized travel reimbursements and was more convenient for participants with home responsibilities.[52] Child care needs of participants were another influence on worksite assignments; as will be discussed further, a frequent priority was matching women with school-age children to jobs that could be performed during school hours. Assignment to schools – as food service workers, janitorial helpers, classroom assistants, and clerical workers – were often considered ideal for mothers with school-age children.[53]

What were the work schedules and hours of participation? Five of the seven study sites had short-term assignments: in most cases, 13 weeks. Only in New York City and in West Virginia's AFDC-U program was an ongoing requirement in place during the survey period (and, shortly afterwards, New York City changed to shorter-term placements). Average monthly hours of assignment varied, depending on the grant amount and other factors; as expected, actual attendance was lower than hours scheduled. In San Diego, for example, the average hours *assigned* each month were 81 hours for AFDC cases and 76 hours for AFDC-U cases. The assigned hours equalled about 70 percent of the hours participants were obligated to participate (grant divided by the minimum wage) because participants were assigned to work four days a week; the fifth day was reserved for job search. The hours participants *actually* worked each month averaged 53 for AFDCs and 56 for AFDC-Us.

The hours of assignment were scheduled to accommodate the different concerns and situations of clients and worksites. For example, in New York City, mothers with children between ages six and thirteen were scheduled to work about four hours per day, nearly every day during the school year, so

---

[52]Goldman et al., 1984.
[53]Sherwood and Kopp, 1987.

that they could be home when the school day ended. Mothers of children over age thirteen were scheduled to work a larger number of hours per day, but for fewer days in the month. A similar assignment policy was followed in West Virginia, where women worked either full-time during the first or last two weeks of the month, or part-time for all four weeks, depending primarily on child care needs and school schedules. West Virginia and New York also furloughed mothers with younger children during school holidays and in the summer. Finally, the needs of the worksite were also considered in scheduling hours. In West Virginia, male AFDC-U participants were assigned to work full-time during either the first or the last two weeks of the month, since the sponsoring agencies preferred full-time work for two weeks rather than fewer hours spread over the entire month.

How important was the work to participants and sponsors — was it "real work" or "make work"? Supervisors and participants across the study sites had similar perceptions about the necessity of their work. On average, 83 percent of supervisors thought that the work was necessary and should not be delayed. Similarly, approximately 80 percent of the participants also thought that their work was necessary. Across all the states surveyed, more than half of the supervisors rated the participants as doing as much work as regular new employees. In New York City, West Virginia, Illinois, and Arkansas, supervisors were also asked if the tasks currently assigned would be carried out if there were no longer a work experience program. Only about 5 percent of the supervisors interviewed said that the work would no longer be done. A large majority of the supervisors in the four sites said that existing regular staff or other on-board subsidized staff would have to do the work, indicating that most supervisors thought that the work was important enough to warrant increasing current workloads. About 10 percent of the supervisors thought that new staff would have to be hired to compensate for the loss of work experience positions.

Did the participants improve their jobs skills at the worksite? Unpaid work experience programs are usually expected to help participants gain general work skills and to teach them how to interact with co-workers and supervisors. These types of skills might be called job-holding skills, in contrast to more specific occupational skills, which are not usually emphasized in these types of programs. MDRC's survey questions focused on basic cognitive skills: reading, writing, arithmetic, and general workplace skills (e.g., communicating well on the job, cooperating with co-workers, and the ability to work without supervision). The survey also asked supervisors about basic work habits: attendance and punctuality, following instructions, concentration on tasks, and task completion.

For each skill judged to be important by the supervisor, supervisors were asked how adequate the participants were, both when then their assignments began *and* at the time of the interview. The great

majority of participants in each skill area reviewed were found to have adequate or better than adequate skills at the time they began their work experience jobs. Moreover, almost all participants who were initially judged inadequate had improved and were considered to be performing adequately by the time of the interviews. Thus, from the supervisors' perspective, only a small proportion of worksite participants needed to improve their skills to perform their jobs adequately. Interestingly, when recipients were asked whether they had learned anything on the job, most responded that they *did* believe they had learned something new. It is unclear what accounts for the different perceptions of supervisors and participants. Two possibilities are that participants were referring to something they learned other than concrete skills, or that they believed they improved their preexisting skills beyond an adequate level. Over 80 percent of participants felt the work they were doing would enhance their employability and help them get a decent paying job later.

How satisfied were participants about their work experience, and did they perceive the work requirement as fair? A large majority of participants in all of the sites said they liked their jobs overall, looked forward to coming to work, and felt they were treated like regular employees on the job. However, responses to questions about the fairness of a work obligation – as indicated in Table 5 – were more varied. When participants were asked if they were satisfied receiving their benefits tied to a job, a majority of participants in all programs (except Cook County's) replied they were either somewhat satisfied or very satisfied. Those responding they were very satisfied varied from a low of 16 percent in Cook County to a high of 60 percent in San Diego. A majority of participants in Chicago (56 percent) and a large percentage both in New York (43 percent) and Baltimore (37 percent) were dissatisfied with having their benefits tied to a work requirement. When the issue of satisfaction and fairness was framed in terms of financial equity between the participant and the agency, responses were more consistent. Across the sites, about three-fourths of the participants surveyed felt that the agency was getting the better of the deal, ranging from a low of 50 percent in San Diego to a high of 96 percent in Baltimore.

Conclusion

The worksite surveys offer a rebuttal to critics of a work obligation who see it as necessarily harsh and exploitative. The results suggest that most states did *not* design or implement this program with a punitive intent. At the same time, the finding of generally positive experiences reported by most participants in the programs helps to discredit the argument that people on welfare do not want to work. In short, most participants viewed unpaid work experience as better than welfare, but not as good as a

TABLE 5

WORK EXPERIENCE PARTICIPANT RESPONSES TO QUESTIONS CONCERNING JOB SATISFACTION AND FAIRNESS OF A WORK REQUIREMENT, BY STATE

Question	New York City (%)	Arkansas (%)	Virginia (%)	San Diego, California (%)	Cook County, Illinois (%)	Baltimore, Maryland (%)	West Virginia (%)	Average (c) (%)
	Participant Responses (a,b) (%)							
Overall, I like my job.								
Strongly disagree	5.6	4.5	4.3	13.3	6.0	0.0	3.3	5.3
Somewhat disagree	1.4	4.5	0.0	0.0	0.0	5.6	0.0	1.6
Somewhat agree	28.2	13.6	21.3	40.0	24.0	22.2	33.3	26.1
Strongly agree	64.8	77.3	74.5	46.7	70.0	72.2	63.3	67.0
What about your supervisor and other regular employees here – do you feel they look on you as part of the regular staff?								
Yes	84.7	100.0	97.6	73.3	86.7	87.0	90.0	88.3
No	15.3	0.0	2.4	26.7	14.3	13.0	10.0	11.7
The kind of work I'm doing will help me to get a decent-paying job later.								
Strongly disagree	11.3	9.1	6.4	13.3	26.0	11.1	6.7	12.0
Somewhat disagree	7.0	9.1	4.3	13.3	6.0	5.6	10.0	7.9
Somewhat agree	32.4	45.5	19.1	33.3	34.0	31.5	40.0	33.7
Strongly agree	49.3	36.4	70.2	40.0	34.0	51.9	43.3	46.4
How satisfied are you about receiving welfare benefits like this – that is, tied to a job, instead of simply receiving your benefits?								
Very satisfied	18.1	18.2	39.1	60.0	16.0	23.1	43.3	31.1
Somewhat satisfied	39.9	54.5	45.7	33.3	28.0	38.5	36.7	39.4
Somewhat dissatisfied	22.2	27.3	6.5	0.0	24.0	9.6	10.0	14.2
Not satisfied at all	20.8	0.0	8.7	6.7	32.0	28.8	10.0	15.3
I feel better about receiving welfare now that I am working for it.								
Strongly agree	50.7	45.5	52.3	78.6	26.0	33.3	60.0	49.5
Somewhat agree	30.4	31.8	9.1	0.0	28.0	25.9	30.0	22.2
Somewhat disagree	5.8	9.1	6.8	0.0	18.0	13.0	3.3	8.0
Strongly disagree	13.0	13.8	31.8	21.4	28.0	27.8	6.7	20.3

(continued)

BEST COPY AVAILABLE

TABLE 5 (continued)

Question	New York City (%)	Arkansas (%)	Virginia (%)	San Diego, California (%)	Cook County, Illinois (%)	Baltimore, Maryland (%)	West Virginia (%)	Average (c) (%)
	Participant Responses (a,b) (%)							
I'd like to ask you how useful your work is to the agency. Let's say you *compare the usefulness of your work to the amount of money you receive in benefits* – who would you say is probably getting the better end of the deal: *you* or the *agency*?								
Me	14.3	14.3	18.2	35.7	6.0	3.7	13.3	15.1
Neither one	15.7	9.5	9.1	14.3	10.0	0.0	13.3	10.3
Agency	70.0	76.2	72.7	50.0	82.0	96.3	73.3	74.4
Does participant understand that participation is mandatory? (d)								
Yes	98.6	85.7	89.5	85.7	95.9	66.7	100.0	88.9
No	1.4	14.3	10.5	14.3	4.1	33.3	0.0	11.1
Total number of participants interviewed	72	22	47	15	50	54	30	290

SOURCE: Hoerz and Hanson, 1986 (Tables 10 and 11).

NOTES: Distributions may not add up to 100.0 percent because of rounding.
(a) Responses are presented for AFDC participants only.
(b) Percentages exclude a small number of cases with missing values.
(c) The average column reports the total nonweighted average percent of responses in each category across states.
(d) Respondents were categorized as knowing the program was mandatory if they felt their grants would be reduced if they refused to take a job or quit the job before it ended.

BEST COPY AVAILABLE

real job. The reader is once again reminded, however, that the survey sample did not include interviews with welfare recipients who were eligible for work experience but did not participate in it, either because they were not selected to be in the program or because they were unwilling to participate. The survey also does not address how participants would react to unpaid work experience programs implemented on a larger scale, for a longer duration, or with harsher consequences for nonparticipation (e.g., complete termination of welfare benefits) than those studied by MDRC.

V. Effects of Unpaid Work Experience Programs in San Diego, Cook County, and West Virginia

MDRC conducted evaluations in three states that specifically addressed the effects of unpaid work experience programs on employment, earnings, welfare receipt, and welfare payments. The studies were performed in the 1980s in San Diego, California (referred to as San Diego I, because it was the first of several MDRC evaluations in the community); Cook County, Illinois (which encompasses Chicago); and West Virginia.[54] The evaluations were constructed to answer different types of questions about unpaid work experience. The San Diego I and Cook County studies addressed the question of whether there are *added benefits* to running a program that combines job search and CWEP in a sequence, as opposed to running job search alone. The West Virginia evaluation analyzed the effects of a program consisting *only* of CWEP for AFDC women. A separate AFDC-U study in West Virginia examined whether or not program effects in "saturation" areas – in which the goal was to get as many AFDC-U clients as possible to participate in CWEP on an ongoing basis – were greater than program effects in comparison areas, where participation levels were capped at 40 percent.

As described earlier, West Virginia's CWEP program was unlimited in duration, but the San Diego I and Cook County programs generally restricted unpaid work experience to three months. With the exception of the West Virginia AFDC-U study, the programs targeted a small percentage of the welfare caseloads in the study sites. These studies therefore do *not* address the effects of running unpaid work experience as an ongoing requirement for all welfare recipients within a state. The effects of a broader-scale program with an unlimited participation requirement – particularly on welfare applications and receipt – could be quite different than the effects measured in these evaluations.

Overview of Impact Findings

Tables 6, 7, and 8 summarize the research sample characteristics, program participation patterns, and program impacts, respectively, for the San Diego I, Cook County, and West Virginia evaluations. MDRC's principal findings are as follows:

- The welfare applicants and recipients randomly assigned to the program groups in these evaluations tended to be disadvantaged in terms of employability. Most had less than a high school education, a history of prior welfare receipt, and no recent work experience.

---

[54]Unless otherwise noted, the findings from these evaluations are reported in Friedlander et al., 1986; Friedlander et al., 1987; and Goldman, Friedlander, and Long, 1986.

TABLE 6

SELECTED CHARACTERISTICS OF RESEARCH SAMPLE AT TIME OF RANDOM ASSIGNMENT IN SAN DIEGO, COOK COUNTY, AND WEST VIRGINIA

	San Diego, California		Cook County, Illinois	West Virginia (a)	
Characteristic	AFDC Applicants	AFDC-U Applicants	AFDC Applicants and Recipients	AFDC Applicants and Recipients	AFDC-U Applicants and Recipients
Gender (%)					
Male	16	93	12	0	93
Female	84	7	88	100	7
Average age (Years)	33	31	n/a	35	31
Age (%)					
24 years or less	12	24	26	5	23
25 to 34 years	49	50	46	47	47
35 to 44 years	30	19	21	36	23
45 years or more	9	7	8	12	8
Ethnicity (%)					
White, not Hispanic	57	53	16	90	96
Black, not Hispanic	21	9	72	10	4
Hispanic	18	33	11	0	0
Other	4	5	1	0	0
Average highest grade completed (%)	11	11	n/a	10	10
Received high school diploma or General Educational Development (GED) (%)	61	61	n/a	46	n/a
Marital status (%)					
Never married	16	7	n/a	13	2
Married, living with spouse	13	90	n/a	17	97
Married, not living with spouse	34	2	n/a	23	n/a
Divorced, widowed	37	2	n/a	47	2
Average number of children under 19 years of age	1.7	2.1	n/a	2.0	2.1
Any children (%) (b)					
Less than 6 years	18	78	n/a	11	71
Between 6 and 18 years	88	50	n/a	95	54
Received AFDC in the two years prior to random assignment (%)	66	42	69(c)	81	56
Average months on AFDC two years prior to random assignment	6.1	2.3	n/a	14.0	5.7

(continued)

TABLE 6 (continued)

Characteristic	San Diego, California		Cook County, Illinois	West Virginia (a)	
	AFDC Applicants	AFDC-U Applicants	AFDC Applicants and Recipients	AFDC Applicants and Recipients	AFDC-U Applicants and Recipients
Employed at any time during one year prior to random assignment (%)	51	71	31	28	39
Average earnings during one year prior to random assignment ($)	2,630	6,297	1,268	447	1,239
Sample size	3,596	3,408	11,912	3,694	2,798

SOURCES: Friedlander et al., 1986; Friedlander et al., 1987; Goldman, Friedlander, and Long, 1986.

NOTES: Subcategories may not add to 100 percent due to rounding error.

(a) Research sample includes all program and control group members except for the West Virginia AFDC-U research sample, which reflects saturation areas only.

(b) Distribution may exceed 100 percent because individuals can have children in more than one category.

(c) In Cook County, figure represents the percentage who received AFDC during the *10 months* prior to random assignment.

TABLE 7

NINE-MONTH PARTICIPATION INDICATORS FOR EXPERIMENTALS ASSIGNED TO UNPAID WORK EXPERIENCE PROGRAMS IN SAN DIEGO, COOK COUNTY, AND WEST VIRGINIA

	San Diego, California		Cook County, Illinois	West Virginia	
Nine-Month Performance Indicator	AFDC Applicants (%)	AFDC-U Applicants (%)	AFDC Applicants and Recipients (%)	AFDC Applicants and Recipients (%)	AFDC-U Applicants and Recipients (%)
Attended any activity (a)	46	53	39	30	62
Attended job search	44	52	36	n/a	n/a
Attended CWEP	13	17	7	24	60
Attended other activities	5	3	4	6	2
Deregistered	61	68	57	42	73
Sanction requested	8	6	12	2	6
Sample size	1,540	1,403	4,050	1,853	2,798

SOURCES: Friedlander et al., 1986; Friedlander et al., 1987; Goldman et al., 1985.

NOTES: Participation figures for San Diego and Cook County are for program group members assigned to the combined job search/CWEP stream. Participation figures for AFDC-Us in West Virginia represent saturation areas.

(a) "Attended any activity" is an unduplicated count. Attendance figures for job search, CWEP, and other activities may exceed this number because some clients attended more than one activity.

BEST COPY AVAILABLE

TABLE 8

EFFECTS OF UNPAID WORK EXPERIENCE AND COMBINED JOB SEARCH/UNPAID WORK EXPERIENCE ON AFDC AND AFDC-U APPLICANTS AND RECIPIENTS IN SAN DIEGO, COOK COUNTY, AND WEST VIRGINIA (a)

San Diego, California: Effects on AFDC Applicants	P1: Combined Job Search/ CWEP	P2: Job Search Only	Control	P1/Control Difference	P2/Control Difference	P1/P2 Difference
Ever employed during 15 months (%)	61.0	60.5	55.4	+5.6***	+5.1**	+0.5
Average total earnings during 15 months ($)	3,802	3,353	3,102	+700***	+251	+449**
Employed at end of 18 months (%)	41.9	37.4	36.1	+3.8*	-0.7	+4.5**
On welfare at end of 18 months (%)	35.0	36.2	36.2	-1.2	0.0	-1.2
Average total AFDC payments received during 18 months ($)	3,409	3,494	3,697	-288**	-203	-85
Sample size	1,540	867	889			

San Diego, California: Effects on AFDC-U Applicants	P1: Combined Job Search/ CWEP	P2: Job Search Only	Control	P1/Control Difference	P2/Control Difference	P1/P2 Difference
Ever employed during 15 months (%)	76.3	74.0	73.6	+2.7	+0.4	+2.3
Average total earnings during 15 months ($)	7,361	7,529	7,145	+216	+384	-168
Employed at end of 18 months (%)	53.2	53.9	55.3	-2.2	-1.5	-0.7
On welfare at end of 18 months (%)	30.2	28.0	33.1	-2.9	-5.1**	+2.2
Average total AFDC-U payments received during 18 months ($)	3,124	3,184	3,653	-530***	-470***	-60
Sample size	1,403	855	838			

Cook County, Illinois: Effects on AFDC Applicants and Recipients	P1: Combined Job Search/ CWEP	P2: Job Search Only	Control	P1/Control Difference	P2/Control Difference	P1/P2 (b) Difference
Ever employed during 15 months (%)	36.8	37.1	35.8	+1.0	+1.3	-0.3
Average total earnings during 15 months ($)	1,977	1,934	1,921	+57	+13	+43
Employed at end of 18 months (%)	24.4	24.4	23.4	+1.0	+1.0	0.0
On welfare at end of 18 months (%)	70.9	68.9	72.7	-1.8*	-3.8***	+2.0
Average total AFDC payments received during 18 months ($)	4,416	4,346	4,486	-70*	-140***	+70
Sample size	4,050	4,057	3,805			

(continued)

BEST COPY AVAILABLE

TABLE 8 (continued)

West Virginia: Effects on AFDC Recipients	Program	Control	Difference
Ever employed during 15 months (%)	22.3	22.7	-0.4
Average total earnings during 15 months ($)	713	712	+1
Employed at end of 18 months (%)	13.4	13.8	-0.4
On welfare at end of 21 months (%)	57.8	60.7	-2.8*
Average total AFDC payments received during 21 months ($)	2,681	2,721	-40
Sample size	1,853	1,841	

West Virginia: Effects on AFDC-U Recipients in Saturation and Comparison Areas(c)	Saturation Areas	Comparison Areas	Difference
Ever employed during 15 months (%)	42.6	42.9	-0.4
Average total earnings during 15 months ($)	2,582	2,785	-202
Employed at end of 18 months (%)	26.5	27.6	-1.1
On welfare at end of 21 months (%)	45.4	52.3	-6.9***
Average total AFDC-U payments received during 18 months ($)	1,916	2,145	-229***
Sample size	2,798	2,832	

SOURCES: Friedlander et al., 1986; Friedlander et al., 1987; Goldman, Friedlander, and Long, 1986.

NOTES: *Denotes statistical significance at the 10 percent level; ** at the 5 percent level; and *** at the 1 percent level.

(a) Data obtained from the first three months after random assignment may contain some earnings from the period prior to random assignment. The first three months therefore are excluded from the measures to total follow-up employment and earnings.

(b) Tests for statistical significance between the two program groups in Cook County were not performed.

(c) The AFDC-U study in West Virginia used a matched-area comparison design rather than random assignment to a program or control group. In saturation areas, welfare officials tried to create and fill as many unpaid work experience positions as possible; in comparison areas, participation in unpaid work experience was limited to 40 percent of the caseload.

BEST COPY AVAILABLE

- Approximately half of the AFDC and AFDC-U program group members in San Diego I participated in *any* program activity, as did roughly 40 percent of AFDC program group members in Cook County. However, job search was by far the predominant activity in these programs. Only 13 percent of eligible AFDC applicants and 17 percent of eligible AFDC-U applicants in San Diego I participated in CWEP, as did just 7 percent of AFDC recipients in Cook County. This was mainly because most clients were deregistered from the programs before they reached the unpaid work experience component, usually due to the fact that they had left welfare. In West Virginia, 30 percent of AFDC recipients attended any activity, as did 62 percent of AFDC-U recipients; virtually all of this participation was in CWEP.

- In most cases, CWEP – operated by itself or in conjunction with job search – did *not* lead to consistent, statistically significant increases in the employment or earnings of welfare applicants and recipients. The exception was among AFDC applicants in San Diego I, where significant employment and earnings gains attributable to CWEP were detected. However, this finding should be qualified by the fact that the San Diego I impacts were associated only with clients assigned to the program group during the last half of the study.

- The effect of unpaid work experience on welfare receipt and payments in these programs was inconsistent. In San Diego I and Cook County, CWEP combined with job search led to small but statistically significant overall reductions in welfare payments and, during some quarters of the follow-up period, small but statistically significant reductions in the number of people on welfare. These decreases, however, were not *significantly* greater than what was achieved by job search alone. In West Virginia, CWEP led to a small but statistically significant decrease in welfare receipt for female, mostly single-parent AFDC recipients at 21 months, but longer-term data available for the earliest group of enrollees indicated that this did not persist. There was *no* overall reduction in welfare payments for AFDC recipients. For AFDC-U men in West Virginia, MDRC compared CWEP effects in four "saturation" areas versus four comparison areas and detected consistent, statistically significant reductions in welfare receipt *and* welfare payments in the saturation areas. This finding should be interpreted with caution, however, since it may be due in part to differences between the saturation and comparison areas that could not be controlled statistically.

The findings from the San Diego I, Cook County, and West Virginia evaluations are discussed in detail below.

San Diego I: The "Add-on" Effects of Unpaid Work Experience Following Job Search

The San Diego I evaluation involved applicants of both AFDC and AFDC-U. Welfare applicants determined to be WIN-mandatory were randomly assigned to either a combined job search/CWEP group, a job search only group, or a control group that was excluded from the program (but remained eligible for all welfare benefits). Random assignment took place between October 1982 and August 1983.

MDRC subsequently tracked the employment, earnings, and welfare experiences of program and control group members for a period of 15 to 18 months.

Characteristics of the Research Sample[55]

As would be expected, the AFDC sample was predominantly female and the AFDC-U sample was predominantly male. The average sample member was in his or her early 30s. San Diego has an ethnically diverse welfare population, which was reflected in the research sample: a slight majority were white, but large percentages of blacks and Hispanics were also enrolled. The average sample member had an eleventh-grade education. About 70 percent of the AFDC group was either separated from a spouse, divorced, or widowed; nearly all of the AFDC-U group was married and living with a spouse. On average, AFDC and AFDC-U applicants had two children. AFDC applicants had more previous time on welfare than AFDC-Us (averaging about six months on public assistance during the past two years compared to about two months for AFDC-Us), and also had less employment experience (about half had held a job in the previous year compared to over 70 percent of AFDC-Us).

Participation Patterns

The participation patterns for AFDC and AFDC-U applicants were roughly the same. Forty-six percent of the AFDC applicants and 53 percent of the AFDC-U applicants attended an activity at least once, though job search was by far the predominant activity. Less than one-fifth of the AFDC and AFDC-U applicants attended unpaid work experience although almost all welfare recipients eligible for CWEP were referred to it. Participation in other activities, such as self-initiated eduction and training, was minimal. The vast majority of AFDC and AFDC-U applicants were deregistered from the program within nine months, usually because they moved off welfare (although generally *not* for reasons of employment). Denial of the application, obtaining exemption from the program, and request for sanction were the other main reasons for deregistration. Program staff requested sanctions for 8 percent of the AFDC applicants and 6 percent of the AFDC-U applicants, although not all requests resulted in actual sanctions imposed.

Program Effects on AFDCs

For AFDC applicants, the overall findings are generally favorable. The job search/unpaid work

---

[55]Research sample characteristics and participation patterns for San Diego I are described in Goldman et al., 1985.

experience group showed a statistically significant employment increase of 5.6 percentage points over the control group, and an increase of one-half a percentage point (which was not statistically significant) over the job search only group. These increases in employment were associated with statistically significant earnings gains of $700 over the control group average of $3,102, and $449 over the job search only group average of $3,353.

Neither the combined job search/CWEP approach nor the job search only program led to overall reductions in the percentage of AFDC clients receiving welfare. Each group experienced a significant decrease in welfare receipt for at least one quarter, but these reductions occurred in the middle of the follow-up period and were not maintained. The presence of a work requirement in the job search/CWEP stream did *not* appear to deter applicants from completing their AFDC applications, nor did it cause people to leave welfare once on the rolls.

There was an overall reduction in welfare payments for the combined job search/CWEP group: a $288 reduction from the control group mean of $3,697, and an $85 reduction from the job search only mean of $3,494. (Because AFDC grant levels in California are high relative to other states, recipients who become employed will often experience reductions in the amount of their grant but will not be terminated from welfare.) The difference between the level of payments for the combined job search/CWEP group and the control group was statistically significant, although the difference between the two program groups (combined job search/CWEP versus job search only) was not. In other words, roughly the same welfare reductions could be achieved by running a job search only program as opposed to a combined job search/CWEP program.

The overall findings for AFDC applicants suggest that unpaid work experience following job search yields marginally better results than job search alone, at least in terms of increased earnings. However, the earnings effects of the CWEP add-on were detected exclusively among the group of applicants who entered the research sample after March 1983. For *early* enrollees – that is, welfare applicants who enrolled between October 1982 and March 1983 – the earnings differences between the combined job search/CWEP group and the job search only group were *not* statistically significant. Hence, the positive earnings differences detected between the job search/CWEP group and the job search only group are driven by the behavior of this last cohort of applicants.

Why did welfare applicants enrolled in these two time periods experience such different results? The authors of the San Diego I evaluation offered several hypotheses. One is that the program itself changed over the course of the demonstration, although the researchers found no evidence of this. Labor market conditions *did* change, however, as did applicants' characteristics. The study took place during

a period in which the labor market rapidly improved; unemployment, for instance, dropped steadily from nearly 11 percent in 1983 to 6 percent in 1985. Applicants in the later cohort had less work history than earlier applicants, but came into the sample and began job search during an improved economy. Thus, the authors postulate that job search workshops by themselves may make less of a *difference* in strong labor markets than in weak ones. Previous studies have shown that group job search moves individuals into entry-level, low-wage jobs as a first step into the labor market and that these jobs are similar to those usually found without special assistance.[56] In an improving labor market, people left to their own devices – especially those with recent labor market experience – may have sufficiently effective ways of finding employment or methods that lead to better-quality jobs.

A second hypothesis suggested by the authors is that, once employed, the later cohort of program group members had better luck *remaining* employed than the early cohort. It turns out that the later job search only group experienced more *job losses* than their counterparts in the combined job search/CWEP group. Therefore, some part of the poorer earnings performance of the later job search group was due to their greater job loss and subsequent tendency to remain out of the labor market. The authors' third hypothesis is that in better labor markets, short-term work experience of the type offered in San Diego I is particularly helpful for applicants with a poor work record. There may be an interaction between good labor markets and an inexperienced welfare population that can explain why unpaid work experience in addition to job search assistance is needed for some people to make demonstrable gains in the labor market.

Subgroup analysis performed for the San Diego I evaluation lends support to the proposition that more disadvantaged welfare applicants benefit more from the addition of work experience to job search than less disadvantaged individuals. Employment, earnings, and welfare impacts in the job search/CWEP stream were greatest (and generally statistically significant) for those *without* a work record in the year prior to random assignment and for those *with* prior experience on welfare. Job search combined with CWEP seemed to give these more disadvantaged applicants a boost that they would not otherwise have received, presumably by increasing their skills and work habits while attending their work assignment. These two subgroups – that is, persons without recent work experience and with prior history on welfare – also experienced the largest impacts in the job search only stream, but the impacts were not as large as in the combined job search/CWEP group.

---

[56]See Goldman, 1981.

Program Effects on AFDC-Us

For AFDC-U applicants, neither the combined job search/CWEP group nor the job search only group experienced a sustained, statistically significant increase in employment and earnings over those of a control group. The combined job search/CWEP group experienced statistically significant reductions in welfare receipt during the second through fifth quarters of follow-up, but the reductions became smaller and were not statistically significant by the sixth quarter. The job search only group experienced statistically significant reductions in welfare receipt in four out of six quarters; these reductions were maintained to the end of the follow-up period. Both the combined job search/CWEP group and the job search only group had statistically significant reductions in welfare payments (a reduction of $530 and $170, respectively, from the control group mean of $3,653). However, the differences between the two program groups were *not* significant.

One possible explanation for the large welfare savings and negligible employment gains for AFDC-U applicants is that sanctioning rates were higher for individuals in both program groups than for individuals in the control group, and those who were sanctioned experienced larger grant reductions than the AFDC applicants. For AFDC-Us, even modest increases in employment – given the program's eligibility rules – could have triggered relatively large welfare savings. Another possible explanation is that positive employment effects observed shortly after clients entered the program (that subsequently disappeared) led to longer-term welfare savings if AFDC-U applicants who lost jobs did not return immediately to the rolls.

AFDC-U impacts – unlike those for the AFDC sample – were not strongly affected by the period in which people applied for welfare. Both the early and late cohorts of AFDC-U applicants experienced similar employment rates, amounts of earnings, and levels of welfare savings. The consistent effects for AFDC-Us in both cohorts may be due to the overall greater employability of this population compared to AFDCs, and their greater ability to find jobs in all types of situations, including different labor markets.

The AFDC-U subgroup analysis revealed that applicants with prior records of welfare receipt – compared to those with no previous welfare history – benefited the most from the combined job search/CWEP and job search only programs. Applicants who had received welfare within the two years prior to random assignment had small but statistically significant increases in employment and earnings, and also had the largest reductions in welfare payments. Neither subgroup based on previous employment history (those with versus those without) had statistically significant employment or earnings gains.

Unlike the AFDC group analysis, previous work history for AFDC-Us did not help explain employment, earnings, or welfare impacts.

Cook County: The "Add-on" Effects of Unpaid Work Experience Following Job Search

The Cook County evaluation was similar to San Diego I. For AFDC applicants *and* recipients, MDRC examined whether or not a program of job search followed by CWEP led to greater effects than a program of job search alone. Random assignment to the two program groups and to the control group took place between February and September, 1985. MDRC collected employment, earnings, and welfare information on research sample members for up to 18 months.

Characteristics of the Research Sample

The average research sample member in Cook County was female, under 35 years of age, and black. Cook County research sample members had less recent work history and more time on welfare than those in San Diego I, due mainly to the inclusion of welfare recipients (as well as applicants) in the Cook County evaluation. Approximately one-third of the research sample consisted of applicants who were just beginning a period of welfare at the time of random assignment;[57] the remaining two-thirds were prior recipients already receiving welfare at the date of random assignment.

Participation Patterns

Overall, fewer clients in the combined job search/CWEP program took part in Cook County's program than in San Diego's: 39 percent. Nearly all of the participation that occurred was in job search; only 7 percent attended CWEP. Hence, the Cook County program did not provide a very good test of the add-on effect of CWEP. Fifty-seven percent of the sample members in the job search/CWEP stream were deregistered within the nine-month period, usually because they left welfare (either for employment or other reasons). Twelve percent were recommended for sanctions, a higher figure than for San Diego I or West Virginia.

Program Effects

Neither the combined job search/CWEP program nor the job search only program in Cook County led to statistically significant differences in employment and earnings over those of a control group. Both

---

[57]Some applicants received welfare in the past and were beginning a new spell of welfare receipt at the time of random assignment.

programs produced slight, statistically significant reductions in the percentage of persons on welfare and the level of welfare payments over 18 months. Welfare impacts, however, were greater for the job search only group than for the combined job search/CWEP group: a 3.8 percentage point reduction in welfare receipt (versus a 1.8 percentage point reduction for combined job search/CWEP) and a $140 reduction in welfare payments (as opposed to a $70 reduction). MDRC did not perform tests to determine whether these differences in welfare impacts were statistically significant, although they appear not to be.

The Cook County findings varied little over time. There were no statistically significant employment and earnings effects in any quarter studied. The small reductions in welfare receipt and payments appeared by the third quarter and continued at about the same level throughout the follow-up period. The reductions in welfare payments were larger and more consistent for the job search only group; in the combined job search/CWEP group, the welfare reductions became smaller and were not significant by the last quarter of follow-up.

The welfare savings in the two program groups were due primarily to case closures. The authors of the study report that the reason for the greater number of case closures in the program groups was not fully evident, given the lack of program effects on employment and earnings. The authors suggest that there may have been a deterrent effect related to clients' desire to avoid the job search or CWEP requirements, or that welfare staff were more diligent in monitoring the eligibility status of clients in the program groups than in the control group.

MDRC's subgroup analysis revealed that among *applicants*, the combined job search/CWEP program produced no statistically significant effects on employment, earnings, welfare receipt, or welfare payments. Among *ongoing recipients*, the combined job search/CWEP program yielded modest but statistically significant increases in employment and earnings toward the end of the follow-up period. This finding lends support to the San Diego I conclusion that programs of this type may be more beneficial for people with prior histories of welfare receipt than for those without such histories. It is important to note, however, that program effects for applicant and recipient subgroups in the job search only program tended to be the same or larger than the impacts for the combined job search/CWEP group. There is no clear relationship between clients' previous work history and program effects.

Given that Cook County intended to operate the same program as San Diego I, a fair question might be, Why were there no employment and earnings impacts for AFDCs, and why were the welfare impacts smaller? Several explanations are possible. The major one is that the Cook County program provided a weaker "treatment" than San Diego's. *Overall* participation for AFDC sample members in San Diego

was 8 percentage points higher than for those in Cook County, and participation in CWEP was more than double Cook County's rate. There was also evidence that San Diego participants spent more weeks and hours in unpaid work experience than their counterparts in Cook County. Finally, San Diego's job search component provided staff supervision and instruction to welfare recipients, whereas Cook County sent most clients to look for jobs on their own, without staff assistance, which may have been a less effective approach.

A second explanation may be related to the target population. Cook County's research sample had been on welfare longer and had less recent work experience than San Diego's. Although the evidence suggests that more disadvantaged clients tend to have larger increases in employment and earnings (in percentage terms) than less disadvantaged clients, there may be a threshold below which clients do not benefit from unpaid work experience; Cook County may have had more clients below this threshold.

Finally, Cook County's labor market was improving during the study period. Although the improvement was not as dramatic as San Diego's, unemployment dropped steadily from 8.7 percent in 1985 to 7.1 percent in 1987. It may be true, as the San Diego cohort analysis suggests, that combined job search/CWEP programs are less effective in strengthening economies than in weak ones, because program services are not needed to help clients take advantage of job growth in the community. However, neither program nor control group members in Cook County had particularly high rates of employment (see Table 8).

West Virginia: Effects of a Program of Continuous Unpaid Work Experience

In West Virginia, MDRC tested the effects of an unpaid work experience program of unlimited duration for AFDC and AFDC-U applicants and recipients. Unlike the San Diego or Cook County programs, West Virginia's program consisted only of CWEP; there was no job search activity. The *AFDC* study compared the experiences of clients randomly assigned to a program group against those assigned to a control group. The *AFDC-U* evaluation involved a matched comparison research design to determine the effects of running CWEP on a saturation scale versus a more limited scale. In four locations in the state (the saturation areas), welfare officials tried to create and fill as many CWEP positions for AFDC-U applicants and recipients as possible; in another four locations (the comparison areas), participation in unpaid work experience was limited to 40 percent of the AFDC-U caseload. Hence, the AFDC-U study examined differences in the degree of *coverage* rather than differences

between a program group and a control group.[58] The research samples for both the AFDC and AFDC-U evaluations were obtained between July 1983 and August 1984; follow-up lasted up to 21 months.

Characteristics of the Research Samples

All of the AFDC sample members were female, which was an artifact of the research design (a small percentage of AFDC recipients in West Virginia were male). Over 90 percent of the AFDC-U sample were male. Most AFDC and AFDC-U sample members were between the ages of 25 and 44, and nearly all were white. The average highest grade completed was tenth grade. The majority of the AFDC sample was never married, separated, divorced, or widowed; by contrast, nearly all of the AFDC-U sample was married and living with a spouse. On average, AFDC and AFDC-U sample members had two children. Compared to the research samples in San Diego I and Cook County, the AFDC and AFDC-U groups in West Virginia were more welfare-dependent and had less recent employment experience. For example, only 28 percent of the AFDCs and 39 percent of the AFDC-Us in West Virginia had worked in the year prior to random assignment; in San Diego, these figures were 51 percent and 71 percent, respectively.

Participation Patterns

Thirty percent of the AFDC applicants and recipients participated in an activity within nine months, although the figure drops to 24 percent for CWEP specifically (6 percent participated in job search or training activities that were not part of the CWEP program). There were fewer program deregistrations (42 percent) among AFDC clients in West Virginia than in San Diego I or Cook County, mainly because fewer people went off welfare within the nine-month time frame. The sanctioning rate was extremely low (2 percent), reflecting the ambivalence of some welfare staff about requiring work for welfare mothers, and a general reluctance among staff to use sanctions as an enforcement tool.

In the saturation areas, 60 percent of the AFDC-U applicants and recipients participated in unpaid

---

[58]A matched-area comparison design was chosen to evaluate the feasibility of an open-ended saturation program and to determine the maximum possible participation levels in such a program. However, the authors of the study caution that this research design provides less reliable impact results than an experimental design based on random assignment. Although MDRC statistically adjusted for differences in the demographic and economic characteristics of the areas, not all differences can be corrected; therefore, the observed differences may partly reflect differences in the characteristics of the areas, a limitation that should be kept in mind when interpreting the West Virginia AFDC-U results.

work experience; an additional 2 percent attended other activities outside of the program.[59] (As mentioned above, participation in unpaid work experience in the comparison areas was limited to 40 percent – a level maintained throughout the study period.) Within nine months, nearly three-fourths of the sample members in the saturation areas were deregistered from the program. More sanctions were requested for AFDC-Us than for the AFDC clients in West Virginia, but the 6 percent figure was low compared to San Diego I or Cook County.

Program Effects on AFDCs

The West Virginia program led to no overall impacts on the employment and earnings of AFDC program group members within the follow-up period. It produced a small but statistically significant decrease in welfare receipt during the last quarter of follow-up. Small reductions in AFDC payments were detected in two quarters near the end of the follow-up period, but the *overall* reduction of $40 from the average control group payment of $2,721 was not statistically significant. Longer-term follow-up data on the earliest group of enrollees indicate that these trends toward reduced welfare receipt and payments toward the end of follow-up would not have continued beyond the observation period; program and control group differences narrowed after 21 months.

Unlike San Diego I or Cook County, the West Virginia evaluation detected no significant employment or welfare impacts for key subgroups of the AFDC population, including applicants versus recipients of AFDC and persons with or without recent employment experience.

Why did the West Virginia program yield such little impacts for AFDC women? Once again, the explanation probably lies in some interaction between the program design, population served, and regional labor market. Although West Virginia achieved a fairly high participation rate in unpaid work experience, it is possible that the lack of a job search component made it difficult for clients to capitalize on their experience and obtain paid work. Another possibility is that the AFDC population in West Virginia – which had less education and work history and more time on welfare than either the San Diego or Cook County population – was too disadvantaged to benefit from a program consisting only of CWEP. Finally, the labor market in West Virginia was extremely weak during the time of the study, with a statewide unemployment rate of 18 percent in 1983. While it may be true that job search/CWEP

[59]The reader is reminded that the AFDC-U test in West Virginia was specifically funded and implemented to determine what the maximum level of participation might be if certain communities were funded to place as many AFDC-U recipients in unpaid work experience as possible. It was not the state's intention – nor were funds available – to run the AFDC program on a saturation scale.

programs have limited effects in *improving* economies (such as those of San Diego and Cook County), it may also be true that these programs are ineffective when unemployment is this high.

Program Effects on AFDC-Us in Saturation and Comparison Areas

The West Virginia AFDC-U study revealed no statistically significant differences between the saturation and comparison areas on employment rates during any quarter of follow-up. Overall, there were no statistically significant earnings differences either, although in the second and sixth quarters of follow-up AFDC-U recipients in the saturation areas actually earned *less* than their counterparts in the comparison areas. There was, however, a statistically significant, 7 percentage point reduction in the sample members who received welfare in the saturation areas at the end of 21 months, and a statistically significant overall reduction of $229 in welfare payments. Indeed, significant welfare effects were detected during every quarter of the follow-up period, which may have been due to a deterrent effect in operating unpaid work experience on a large scale, or to a higher rate of sanctioning in the saturation areas compared to the comparison regions (6 percent versus 3 percent). However, because the AFDC-U study was not based on an experimental research design, the study's authors caution that the welfare impacts may be due to differences in client characteristics or environmental conditions that cannot be controlled, and *not* to greater program coverage in the saturation versus comparison areas.

The fact that AFDC-U recipients in saturation areas did not fare significantly better than those in comparison areas (at least in terms of employment and earnings) may be attributable to the same factors mentioned for AFDCs: program design, population characteristics, and labor market. It should be noted, however, that West Virginia officials did not *expect* that saturation would lead to employment or earnings effects; their goal was to place as many AFDC-U applicants and recipients in CWEP positions as possible. As reported earlier, the program participation rates for West Virginia AFDC-U recipients in the saturation areas suggest that this objective was achieved.

Program Effects for Other Programs That Include Unpaid or Paid Work Experience

The San Diego I, Cook County, and West Virginia evaluations have been highlighted because they are the only MDRC studies that isolate the impacts of unpaid work experience programs. Yet, as noted earlier, MDRC has evaluated a number of other programs that utilized unpaid work experience. In many instances, these other programs have resulted in larger employment and earnings gains, greater reductions in welfare receipt and payments, or higher levels of participation than those detected in San Diego I, Cook County, or West Virginia. For instance:

- **The Options Program in Baltimore, Maryland**, was a multiservice program that offered job search assistance, WIN work experience, education, and training to AFDC and AFDC-U recipients. Participation was mandatory, but staff did not consider enforcement of the participation requirement to be a priority; rather, it was perceived as a useful means of encouraging people to avail themselves of program services. The primary program goal was to increase the employability of welfare recipients. Forty-five percent of the AFDC recipients assigned to the program group participated in an activity within a nine-month period; approximately one out of five program group members attended unpaid work experience. Options led to statistically significant gains in employment and earnings for AFDC recipients that increased over time, suggesting that the program achieved its employability goal and that the effects were long-lasting. However, the employment and earnings gains were not accompanied by reductions in welfare receipt or grant expenditures. This may be because Baltimore Options helped welfare recipients who would have left the rolls on their own, but enabled them to get better jobs than they would have without program services.[60]

- **Maine's Training Opportunities in the Private Sector (TOPS)** was a voluntary program for AFDC recipients who had been on welfare at least six months. TOPS had an explicit goal of moving welfare recipients into jobs that paid better than minimum wage and offered opportunities for advancement. The program consisted of three distinct phases: prevocational training, which stressed job-seeking and job-holding skills; 12 weeks of WIN work experience; and six months of on-the-job training in the private sector, funded through AFDC grant diversion. Ninety percent of the volunteers participated in at least one phase of the program; nearly 70 percent attended unpaid work experience. TOPS led to statistically significant increases in earnings, but did not affect welfare receipt or payments, perhaps for the same reason mentioned under Baltimore Options.[61]

- **The Saturated Work Initiative Model (SWIM) in San Diego, California**, was operated specifically to test the feasibility and effectiveness of requiring *ongoing* participation in employment-related activities by a high proportion of the AFDC and AFDC-U caseload. The program consisted of two weeks of job search followed by three months of CWEP as well as biweekly job club sessions. Clients remaining unemployed after these activities were assessed and referred to community education and training programs. SWIM accomplished its objective of high overall participation; roughly two-thirds of the clients attended a program activity, and about one-fifth attended CWEP. SWIM produced significant gains in employment and earnings and significant reductions in welfare receipt within two years of random assignment, although control group members caught up by the fifth year from the time of random assignment.[62]

- **California's Greater Avenues for Independence (GAIN) Program** was designed to move AFDC and AFDC-U recipients off welfare and into employment. GAIN is both

---

[60]Friedlander, 1987.

[61]Auspos, Cave, and Long, 1988.

[62]See Hamilton, 1988; Hamilton and Friedlander, 1989; and Friedlander and Hamilton, 1993.

a sequential and multiple-activity program: depending on work history and educational skills, clients begin with a phase of job search or basic education, followed by further job search, basic education, skills training, or unpaid work experience. The program requires continuous participation of welfare recipients determined to be mandatory registrants. In six study counties, GAIN achieved a 54 percent participation rate in program activities, although only 1 percent participated in unpaid work experience. After two years, the program achieved significant increases in employment and earnings, and significant decreases in welfare payments. The impacts in one of the counties studied, Riverside, were the largest of any welfare-to-work program ever studied by MDRC.[63]

In addition to the programs using unpaid work experience discussed in this paper, one major demonstration – the National Supported Work Demonstration – tested the effectiveness of providing 12 or 18 months of structured, closely supervised *paid* work experience to highly disadvantaged, long-term AFDC recipients. The program was operated by 14 nonprofit corporations across the United States. Supported Work led to substantial, statistically significant increases in employment and earnings, and to reductions in welfare receipt and payments for at least three years.[64] A recent follow-up study indicated that earnings impacts for AFDC recipients hold up eight years following program enrollment.[65]

Conclusion

The few studies MDRC conducted that isolated CWEP effects suggest that unpaid work experience – as designed and operated in the 1980s – does not have a clear or consistent effect on employment, earnings, or welfare receipt. Other welfare-to-work programs studied by MDRC have proven more effective in increasing employment and earnings and have led to larger reductions in use of welfare. If these are the objectives, then other programmatic approaches – possibly including unpaid work experience, but combining it with other activities and targeting it to welfare recipients who are most in need of work experience – may be more effective.

The next section focuses on two other important indicators of program performance: the costs and benefit-cost ratios of unpaid work experience.

---

[63]Riccio and Friedlander, 1992, and Friedlander, Riccio, and Freedman, 1993.
[64]Manpower Demonstration Research Corporation, Board of Directors, 1980; Gueron and Pauly, 1991.
[65]Couch, 1992.

VI. The Costs and Benefits of Unpaid Work Experience

How much does it cost to operate unpaid work experience, and do the benefits of operating this activity justify its cost? The first part of this question can be answered readily, because the costs of unpaid work experience can be measured well. As discussed below, past MDRC studies have shown that these costs can be very high or quite modest depending on how the program is designed and targeted. Answering the second part of the question, not surprisingly, is more difficult. The key issue is placing a dollar value on the services provided to local communities through work experience assignments. Judging whether unpaid work experience constitutes a cost-effective policy approach depends heavily on the value given to these services.

Work Experience Costs

Average Cost Estimates

Table 9 presents the estimated cost of unpaid work experience per program group member who actually participated in the activity (cost per participant, in column 2), and per program group member regardless of whether he or she participated (cost per experimental, in column 3), for each of the programs MDRC evaluated. The estimates have been adjusted for inflation to reflect 1993 dollars. The table also indicates the percentage of experimentals who participated in work experience in each program; multiplying this rate by the cost per participant yields the cost of work experience per experimental. As the table makes clear, there is substantial cost variation across programs, the reasons for which are discussed below.

The two types of average cost estimates provided in the table, the cost per participant and the cost per experimental, are each informative:

- Cost per participant – that is, per person who participated at least one day in unpaid work experience – is the more familiar measure of average cost. It can more easily be compared across programs given the substantial differences in work experience participation rates; but this measure has certain drawbacks. One problem is that much of the cost of encouraging welfare recipients to participate in work experience involves efforts directed to nonparticipants.[66] In addition, "participation" means different things in different programs (in particular, West Virginia's CWEP participation

[66]Program expenditures on activities directed to nonparticipants as well as participants (such as sanctioning nonparticipants who did not comply with participation requirements) have been allocated across participants to estimate the cost of work experience per participant.

TABLE 9

ESTIMATED COST OF UNPAID WORK EXPERIENCE, BY PROGRAM

Program	Participation Rate (a)	Cost per Participant (b)	Cost per Experimental
West Virginia			
AFDC	23.9%	$1325	$317
AFDC–U	60.4%	681	411
Arkansas			
AFDC	2.9%	1624	47
Cook County			
AFDC	7.3%	1004	73
San Diego I			
AFDC	13.0%	1039	135
AFDC–U	16.7%	955	160
San Diego SWIM			
AFDC	21.0% (c)	1358	285
AFDC–U	20.2% (c)	1285	260
Virginia			
AFDC	9.5%	2070	197
Baltimore			
AFDC	18.0%	1269	229
AFDC–U	13.9%	1269	176
Maine			
AFDC	67.7%	1587	1074

SOURCES: Final reports from individual state evaluations.

NOTES: (a) Percent of experimentals who ever participated at least one day in work experience.

(b) Costs are all those directly related to work experience component.

(c) Participation rate is slightly higher than that reported in Figure 2, due to longer follow–up.

mandate was continuous, but some programs limited their work experience requirements to 13 weeks), so estimates are not quite as comparable as they appear.

- Expressing the costs of unpaid work experience per experimental makes them consistent with the impact estimates presented in the last section as well as the cost-effectiveness results presented later in this section. Also, the base of experimentals, which includes all AFDC cases who registered for the program, is a very useful measure. For example, if a policymaker is contemplating work experience only for people on welfare who cannot find a regular job, this is the more valuable estimate. On the other hand, costs per experimental may seem deceptively low inasmuch as total costs have been divided by *all* registrants in the study, including those who did not participate in work experience.

Other estimates of the average cost of unpaid work experience – the cost per AFDC case, the cost per case targeted for work experience, and the cost per filled work experience position – are presented and discussed in the Appendix.

Table 10 breaks down the cost of work experience by function. As the table indicates, intake costs are pertinent only in West Virginia, where work experience was the sole program activity; in other programs, work experience was a component participants started long after program registration. Worksite costs (which cover worksite development, the assignment of participants to particular sites, and ongoing program contact with participants during their assignments) were much higher in some programs than in others owing to operational differences discussed earlier. Finally, there is substantial variation in the allowances and support services provided to work experience participants, most of which reflects child care differences (for example, Arkansas and Maine served participants with children under age six, whose care is more expensive).[67]

The Determinants of Work Experience Costs

The total cost of work experience is a function of (1) the size of the welfare caseload, (2) the fraction of the caseload that participates in work experience, and (3) the cost of work experience per participant. The first component is a given (determined largely by welfare rules and economic conditions), but the second two components are determined by policy decisions regarding the targeting, design, and scale of work experience activities.

Targeting of work experience. Programs have made several different decisions that together have

[67]The cost of child care per work experience participant is much lower than the cost per *user* of child care, because only a fraction of participants used program-funded child care in the programs MDRC studied (this fraction was especially low in programs that did not enroll welfare recipients with children under age six).

TABLE 10

ESTIMATED COSTS PER PARTICIPANT IN WORK EXPERIENCE, BY COST COMPONENT AND PROGRAM

Program	Cost per Participant (a)				
	Intake (b)	Worksite Activities (c)	Participant Monitoring (d)	Support Services and Allowances (e)	Total
West Virginia					
AFDC	$49	$384	$34	$858	$1325
AFDC–U	49	117	10	505	681
Arkansas					
AFDC	NA	517	556	550	1624
Cook County					
AFDC	NA	347	463	194	1004
San Diego I					
AFDC	NA	421	561	58	1039
AFDC–U	NA	390	519	46	955
San Diego SWIM					
AFDC	NA	262	937	159	1358
AFDC–U	NA	261	935	89	1285
Virginia					
AFDC	NA	977	749	345	2070
Baltimore					
AFDC	NA	509	45	715	1269
AFDC–U	NA	509	45	715	1269
Maine					
AFDC	NA	514	534	538	1587

SOURCES: Final reports from individual state evaluations.

NOTES: (a) Percent of experimentals who ever participated at least one day in work experience.

(b) Intake cost is available only for West Virginia, where work experience was the only program activity.

(c) Includes worksite development, assignment of participants to positions, and monitoring functions.

(d) Participant monitoring is limited to compliance functions, including sanctioning.

(e) Includes child care, transportation, and other work–related expenses. Staff costs in arranging services are not included here, but are included in "worksite activities" and "participant monitoring."

determined who in the welfare caseload could receive unpaid work experience. Three of these decisions have been especially critical:

- *Who is eligible for the program?* Welfare-to-work programs can be directed to any part of the overall caseload, from a select group to all cases. Operating a statewide program for the entire caseload is an expensive proposition, so most programs have used some form of targeting. For example, Baltimore used geographic targeting, limiting its program to 10 out of 18 city offices. And all programs have targeted according to the characteristics of AFDC recipients; most have targeted single parents with school-age children, but Arkansas targeted a larger group and Maine focused on a subset of this population.[68] By contrast, in West Virginia and San Diego SWIM, the entire AFDC-U caseload was eligible.

- *Who is targeted for work experience?* With the exception of West Virginia's program, the programs studied by MDRC targeted some but not all program enrollees to receive unpaid work experience. In the Virginia and Baltimore programs, staff sought to steer enrollees with certain types of characteristics (most notably limited or sporadic work histories) into work experience. In the other programs, the primary targeting mechanism was the sequence of activities that welfare recipients were expected to pass through in welfare-to-work programs: specifically, job search followed by unpaid work experience. This limited the number of cases who reached work experience because it eliminated those who left the rolls quickly on their own (owing to welfare turnover), as well as those who found regular jobs through the job search component.

- *How is participation from targeted cases encouraged?* All programs (except Maine's) sought to encourage participation by making it mandatory. However, work experience specifically was not required in Baltimore, Virginia, and one of two counties in Arkansas. Moreover, a 13-week work experience requirement was imposed in most programs (which could sometimes be extended), but West Virginia required CWEP participation as long as someone remained on welfare. Finally, a key factor has been the closeness with which work experience participation is monitored: San Diego SWIM created a special unit to monitor program participation and vigorously enforced its CWEP mandate, but other programs devoted fewer resources to this effort.

Decisions regarding program eligibility have largely determined the fraction of the caseload that registered for each program (presented earlier in Table 2), while the latter two decisions have played a major role in determining the work experience participation rate for those who have registered (presented in Table 9).

The importance of these decisions is clear. For example, Arkansas operated the second most expensive work experience component per participant, but because its participation rate was only 3

---

[68]The importance of this aspect of targeting is apparent in Table 2 (see Section III; see also Table A.1). However, it does not account for any of the average cost variance in Tables 9 and 10 (in this section) because all experimentals and participants met program eligibility requirements.

percent the program was the least expensive per experimental. Maine also ran a costly work experience component, but it achieved a high participation rate, resulting in the highest cost per experimental. However, Maine directed its program to a small segment of its AFDC caseload, so its total cost was relatively low.

Design of work experience. Numerous aspects of the work experience component have affected the costs per participant (see Table 10), but a few have been particularly important. The following have primarily affected worksite costs:

- *Worksite development and monitoring practices*. Two practices are noteworthy. First, some programs have relied heavily on worksites with many work experience assignments in a large public agency, but other programs have developed more sites with a single position in a small nonprofit organization. Second, work experience positions in some programs have been developed along the lines of traditional "workfare" (where a recipient "works off" his or her welfare benefits); assignments in other programs such as Maine's have had developmental goals, such as reorienting people who have been out of the labor market, helping participants gain skills by placing them in positions that facilitated skill development (that is, positions related to a person's occupational interests and that required marketable job skills), or working with employers to provide supervision and on-the-job training.

- *Length of work assignments*. Worksite assignments have varied in length considerably. In West Virginia they lasted more than a year, on average. In programs such as Virginia's, assignments averaged approximately four months – initial assignments were limited to three months, but participants could be reassigned to the same worksites (in Virginia, 24 percent of work experience participants were reassigned to the same activity after 13 weeks on the job). The length of stay has not affected worksite assignment expenses; these are the same, per participant, regardless of how long a participant stays in a job once assigned. However, the length of stay has affected most other worksite expenditures;[69] it also affects participant monitoring and support services expenses (see below).

- *Institutional arrangements*. One key question is "Who's in charge?" Most often the agency chosen to manage the work experience component has been the agency responsible for administering welfare, but in some instances – such as in Baltimore and Maine – it has not. If the agency is not the welfare department, interagency communication and decision-making may be expensive; on the other hand, an employment and training agency (responsible for JTPA) may be more efficient at worksite development and other tasks.

---

[69]For example, if it costs $500 to develop a worksite in which the employer takes work experience participants for one year, then the cost per participant would be $500 in a program where the typical participant stays on the job for a full year. In another program, where four participants fill that position (with each staying for three months), the cost per participant would be $125.

Another key question is "What are staff costs?" Many staffing practices – such as the case-to-staff ratio and seniority of staff used for functions such as worksite development – have been important. Also, staff salaries have varied dramatically across the programs MDRC studied (for example, salaries were especially low in West Virginia and Arkansas, and relatively high in San Diego).

These factors have all helped determine the costs of worksite activities per participant that are reported in Table 10, and it is impossible to isolate the relative importance of each. For example, West Virginia incurred the lowest costs per participant for worksite activities; the relative importance of worksite practices (the program relied heavily on assignments in public agencies as opposed to nonprofit organizations), the length of assignments (far greater than in other programs), and institutional arrangements (welfare department administration, low staff salaries) cannot be sorted out. It is noteworthy, however, that Baltimore and Maine, which delegated most program responsibilities to agencies other than welfare departments, incurred costs that were average to above-average.

Two other program design factors primarily affected average allowances and support services costs:

- *Hours of work*. For CWEP, fewer hours are required in low-grant states than high-grant states. Fewer hours imply lower support services costs, especially for child care. It is also noteworthy that in West Virginia the work hours for single parents' CWEP assignments corresponded to their children's school day, and work was not required during school vacations; this minimized child care costs.

- *Worksite locations*. Programs with many possible worksites for a given participant have been better able to develop convenient arrangements for participants that minimized transportation and child care expenses.

Support services costs were highest for single parents in West Virginia, because their CWEP assignments lasted much longer than in other programs. They were also high in Arkansas and Maine, which served single parents with children under age three, raising the average cost of child care assistance.

Another key factor has been the effort devoted to enforcing a participation mandate. In addition to increasing the participation rate (as previously discussed), this effort has increased monitoring costs. Several programs, most notably San Diego SWIM, have devoted substantial resources to this effort, which is reflected in Table 10.

Scale of work experience. The other critical element that determines the cost of work experience per participant is the scale of operation. "Scale" refers to the number of work experience positions, or "slots," that a program has filled with participants at any given time. The importance of scale is demonstrated in Figure 3, which plots the annual cost of work experience per filled position against the average number of filled positions per county in the programs MDRC studied. These two elements

FIGURE 3

RELATIONSHIP BETWEEN PROGRAM SCALE AND ANNUAL COST OF UNPAID EXPERIENCE PER FILLED POSITION

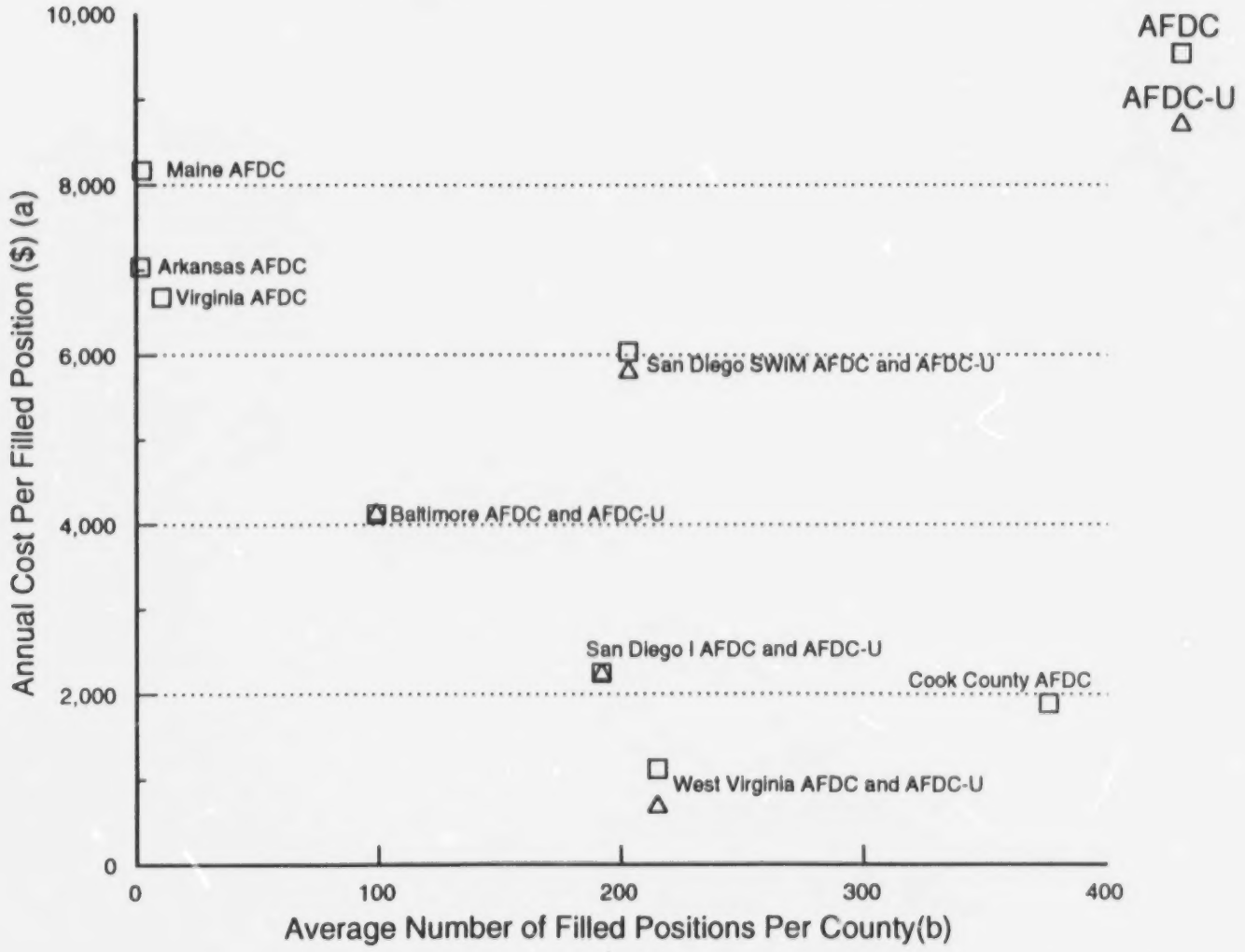


FIGURE 3 (continued)

SOURCES: Work experience participation and cost data from MDRC interim and final reports on the welfare-to-work programs covered in this paper.

NOTES: (a) The annual cost per filled position for each program (during the time it was studied) has been calculated as (1) the total cost of unpaid work experience for the program divided by (2) the number of work experience positions filled by the program (the total number of work experience participants times the average length of participation in years). The cost estimates used in this table are the weighted averages for serving the AFDC and AFDC-U groups (where both groups were served); for estimates broken down by assistance category, see Appendix.

(b) The average number of filled positions per county is the total number of filled positions (see note a) divided by the number of counties studied. The number of counties served by the program are: Arkansas 2, Baltimore 1, Cook County 1, Maine 15, San Diego 1, Virginia 9, and West Virginia 21 (however, in West Virginia, the calculation is based on the nine counties where cost data were collected). Also, an adjustment has been made in Cook County, where the random assignment of individuals to the program occurred over a longer period than in other programs.

require explanation:

- The annual cost per filled position, or cost per "slot year," is a widely used average cost measure, and the best one to use in considering program scale. The cost per position in each of the programs is presented in the last column of Table 11. It is calculated by dividing the program's cost per participant (discussed earlier) shown in the first column by the average length of participation (in years) shown in the second column.

- The number of unpaid work experience positions filled by each program (as a result of one year of program enrollment)[70] is expressed as filled positions *per county* in Figure 3, because programs are operated primarily at the county level.[71] Figure 3 could also have defined scale in terms of *overall* positions, but this would not change the picture appreciably.

In the figure, the cost per position is much higher for programs that operated at small scale. The highest costs were recorded in Maine and Arkansas, which had the smallest number of filled positions: three per county in Maine (39 for the overall program) and two per county in Arkansas (four overall). The next highest cost was in Virginia, which had the next lowest number of positions: 11 per county (95 positions overall). Analogously, the cost per position was lowest in programs that operated on a relatively large scale. The lowest costs were incurred in West Virginia and Cook County, which filled the most work experience positions during the time their programs were studied: West Virginia filled 215 slots per county (1,936 overall) and Cook County filled 376.

Three other points should be made. First, program scale is partly a function of the average length of participation: the longer participants stay in their work experience positions, the more positions are filled by participants at any point in time. Thus, the programs that operated on the largest scale – and at the lowest cost per filled position – are also the programs that recorded the longest average length of participation. Participation averaged one year for the AFDC-U group in West Virginia, and approximately 14 months and six months, respectively, for the AFDC groups in West Virginia and Cook County.

Second, the SWIM program in San Diego recorded a relatively high cost per filled position despite

---

[70]The number of filled slots for each program is calculated as (1) the total number of work experience participants (in MDRC's research sample for each program as well as in "supplemental" samples in Cook County and Virginia and the five San Diego offices not included in the SWIM study) times (2) the average length of participation (in years).

[71]Welfare-to-work programs have been operated primarily at the county level even in state-administered welfare systems. However, in some programs, operational functions were handled partly at the state or regional level. For example, in West Virginia, worksite development was handled in part by area offices that covered between one and four counties.

TABLE 11

ANNUAL COST OF UNPAID WORK EXPERIENCE PER FILLED POSITION

Program	Cost per Participant (a) ($)	Average Length of Participation (b) (Years)	Cost per Filled Position Year (c) ($)
West Virginia			
AFDC	1325	1.18	1122
AFDC-U	681	1.00	681
Arkansas			
AFDC	1624	0.23	7038
Cook County			
AFDC	1004	0.53	1894
San Diego I			
AFDC	1039	0.46	2252
AFDC-U	955	0.43	2235
San Diego SWIM			
AFDC	1358	0.23	6038
AFDC-U	1285	0.22	5797
Virginia			
AFDC	2070	0.31	6677
Baltimore			
AFDC	1269	0.31	4123
AFDC-U	1269	0.31	4123
Maine			
AFDC	1587	0.19	8168

SOURCE: Work experience cost and participation data from MDRC's interim and final reports on the welfare-to-work programs covered in this paper.

NOTES: (a) This is the cost of unpaid work experience per person who participated at least one day.
(b) This is the average length of participation, expressed in years, per participant.
(c) This is the cost of unpaid work experience per "slot" – that is, the cost per position filled by participants per year. It is calculated by dividing the cost per participant by the average length of participation.

operating on a large scale. SWIM's per-position cost is clearly the outlier in Figure 3. SWIM's cost per position was higher than for San Diego I despite the fact that SWIM operated on about the same scale. Because the two programs were similar in design and operated in the same city, it is possible to isolate the principal determinants of the cost difference between them: (1) the greater effort devoted to participant monitoring in SWIM,[72] and (2) the longer participation in San Diego I.[73]

SWIM's cost per position was much higher than the costs incurred in West Virginia, even though its scale of operation, per county, was almost as large. This large difference reflects more differences than just participation monitoring and average length of participation. The fact that West Virginia's *overall* scale far exceeded San Diego's is noteworthy. Also, San Diego's high staff costs compared to West Virginia's is another important factor.

Third, while the cost of work experience per position clearly appears to decline as scale increases, it should be recognized that the largest program studied by MDRC, in West Virginia, filled a little over 1,900 positions during the period it was studied; the second largest, in Cook County, filled fewer than 400 slots. It is quite possible that programs would encounter higher costs (due to scale diseconomies) if they were expected to create much larger numbers of positions.

Finally, it is worth noting that decisions about work experience targeting, design, and scale are not made independently of one another. For example, a decision to use restrictive targeting can allow an expensive version of work experience (e.g., one that involves elaborate worksite assignment or monitoring procedures) to be operated within budget. Conversely, designing a work experience component that is expensive may necessitate a restrictive targeting decision owing to budget constraints. Similarly, a decision to target single parents with young children raises the cost of work experience per participant due to higher child care costs.

The Cost-Effectiveness of Work Experience

Assessing the cost-effectiveness of unpaid work experience requires placing dollar values on the

---

[72]Worksite activities in SWIM and San Diego I were very similar and (as indicated in Table 10) the cost of these activities per participant was slightly lower in SWIM – which is consistent with the increased scale of operations in SWIM. However, participant-monitoring costs were considerably higher in SWIM, which reflects the use of an additional program unit devoted specifically to monitoring participant compliance with SWIM's participation requirements (this unit monitored participation in job search, education, and training as well as in work experience). Also, as indicated in Table 10, support services costs were somewhat higher in SWIM.

[73]Participants who finished their three-month assignments to work experience were almost always assigned to another component (education or training) in SWIM, but were often reassigned to work experience in San Diego I.

various effects of this component and comparing them to the costs presented above. This assessment can be made from the perspective of eligible welfare recipients, taxpayers, or society as a whole. The perspective of taxpayers is used here because it is so important to the viability of work experience as a policy approach (see the Appendix for discussion of the other two perspectives). In addition, this assessment focuses (as did the assessment of program impacts in the previous section) on programs in which the *difference* made by unpaid work experience per se can be determined – that is, those programs in West Virginia, Cook County, and San Diego (where a separate appraisal can be made for the AFDC and AFDC-U groups).

Estimated Costs and Benefits

Table 12 presents the estimated costs and benefits of unpaid work experience to taxpayers per experimental. The estimates in the table reflect overall impacts (that is, experimental-control differences) in West Virginia, where the only program activity was CWEP, and net impacts (that is, differences between experimentals who received job search and CWEP versus experimentals who received job search only) in Cook County and San Diego. The estimates cover a five-year period. The data used to estimate impacts cover only a part of this time span – two to five years, depending on the study and the point at which research sample members entered the sample in a given study. As a result, measured effects have been projected over the remainder of the five-year period using several assumptions; in addition, all estimates have been inflated to reflect 1993 dollars.

Program costs. The first entry in the table is net work experience costs. These figures are somewhat lower than the costs per experimental presented for West Virginia, Cook County, and San Diego I (see Table 9), primarily because the costs of alternative program use by the control group have been subtracted from the gross costs of providing work experience to experimentals. This reflects the fact that during the time experimentals were enrolled in unpaid work experience, controls were free to enroll in other activities such as education and training.[74]

Other budgetary effects. The second set of entries show budgetary effects other than program costs. Most are "offsets" – that is, increases in tax revenues due to the employment impacts of work

[74]Enrollment in these activities was measured for both experimentals and controls; enrollment by controls typically exceeded that of experimentals because controls were not required to participate in the program being evaluated. In most studies, the measurement of enrollment in education and training was limited to JTPA and community colleges.

TABLE 12

NET VALUE OF UNPAID WORK EXPERIENCE TO TAXPAYERS PER EXPERIMENTAL, BY COMPONENT AND PROGRAM

Benefit/Cost Component	Program			
	West Virginia	Cook County	San Diego I AFDC	San Diego I AFDC-U
Net Cost of Work Experience (a)	-$355	-$116	-$108	-$156
Effects of Work Experience (a)				
Tax Payments	4	53	193	-67
AFDC Costs	128	-235	438	40
Other Program Costs	-8	-11	179	-64
Net Budgetary Gain (+) or Loss (-)	-231	-309	702	-247
Value of Output (b)	1232	127	295	509
Net Taxpayer Gain (+) or Loss (-)	1001	-182	997	262

SOURCES: Final reports from individual state evaluations.

NOTES: (a) Overall values for West Virginia, net values for work experience component in other sites.
(b) See text for explanation of how value of output is estimated.

experience, and cost savings due to impacts on AFDC and the use of other forms of public assistance.[75] Most of these effects reduce the net budgetary cost of work experience, and consequently appear as gains in the table; some, however, worked in the opposite direction. In particular, CWEP increased receipt of AFDC payments in Cook County, which increased the net budgetary cost of that program component (these effects are shown as losses in the table).

The net budgetary gain or loss is shown below these budgetary effects in Table 12. It is noteworthy that in three out of the four programs, work experience generated a net budgetary cost – that is, costs were not entirely offset by tax revenues and cost savings. Only the CWEP component operated for AFDC recipients in San Diego produced a net budgetary gain within five years.

Value of output from work experience assignments. The next entry in the table is the estimated value of output from work experience assignments. As discussed earlier, these assignments clearly provided valuable services to the communities they served. But exactly how valuable were they? For regular employees, the wages they are paid usually indicate the value of what they have produced. However, the community agencies receiving work experience services did not pay for them and participants were not paid wages. So the value of these services had to be estimated another way. The estimated values presented in Table 12 use information from the worksite survey, along with several important assumptions. The relative productivity of participants was compared to employers' regular employees – job supervisors in all programs MDRC studied estimated that on average, participants were as productive, or nearly as productive, as regular workers. The estimated relative productivity, expressed in percentage terms, was multiplied by the wage rates of the regular workers to whom participants were compared. The resulting dollar value was used to value participants' work hours in work experience assignments. Thus, the value assigned to work experience amounts to an estimate of the cost of supplying the same services with regular employees.

This estimate is obviously not the same as what local communities would be willing to pay for these services. In general, a community's valuation of the services should be lower than this estimate; the fact that regular workers were not hired to do the work indicates the community was not willing to pay what that would cost. Moreover, in cases where a community agency *was* willing to pay what it would cost to hire regular workers, there is reason to suspect that the agency was substituting work experience participants for regular workers – potentially resulting in displacement. How large is the gap between

---

[75]The other programs include impacts on Medicaid, Food Stamps, Unemployment Compensation, JTPA, and other training programs. The impacts on their use were estimated using data from a variety of sources.

the value of service output estimates (presented in Table 12) and what communities would be willing to pay for them? This question cannot be definitively answered, although the available evidence suggests the gap may be relatively small.[76]

Assessing Cost-Effectiveness

For the three programs where work experience produced a net budgetary cost (that is, the budget offsets were lower than the costs), the cost-effectiveness of the activity depends on the value assigned to it. As it has been estimated, the value of the services provided through work experience assignments was great enough in two of these programs that total benefits to taxpayers exceed net costs. In the third, Cook County, the net costs still slightly outweigh the benefits after the value of work experience output has been considered. Thus, the "bottom line" is that taxpayers appear to gain from unpaid work experience given the way work experience output has been valued. It is worth noting that if this output were assigned only *half* the value it is estimated to have, the budgetary results would still be positive for these two programs.

It also may be noted that, in the programs not included in Table 12, estimates of the value of work experience output are available, as well as the cost estimates discussed earlier. Estimates of the value of output and costs of work experience, per participant in work experience, are presented in Table 13. As shown in the table, the estimated value of output alone exceeded costs in two-thirds of the programs. The value of work experience services was particularly high in West Virginia – more than $4,500 per AFDC participant and nearly $6,000 per AFDC-U participant – because participants stayed in their work experience assignments for a considerable period (more than a year, on average). In the four programs where the value of work experience output did not exceed costs, Arkansas, San Diego SWIM for AFDC recipients, Virginia, and Maine – the estimated value constituted between 60 and 93 percent of these costs, underscoring the importance of work experience output and the value placed on it.

Two other aspects of the benefit-cost findings are noteworthy. First, there are many intangibles that have not been valued. For example, taxpayers may well value the fact that work experience has consistently led to increased work effort by welfare recipients – taking into account regular employment as well as in work experience placements – above and beyond the increased output in the economies where the programs have operated.

Second (as discussed in the Appendix), comparing the costs and benefits from the perspective of

---

[76]See Long and Knox, 1985, and Kemper and Long, 1981, for discussion of this evidence as well as worker productivity, possible displacement, and other issues pertaining to the value of work experience services.

TABLE 13

COST AND VALUE OF OUTPUT OF UNPAID WORK EXPERIENCE PER PARTICIPANT, BY PROGRAM

Program	Cost of Work Experience	Value of Output
West Virginia		
AFDC	$1325	$4582
AFDC–U	681	5825
Arkansas		
AFDC	1624	894
Cook County		
AFDC	1004	1760
San Diego I		
AFDC	1039	2236
AFDC–U	955	3005
San Diego SWIM		
AFDC	1358	1144
AFDC–U	1285	1749
Virginia		
AFDC	2070	1493
Baltimore		
AFDC	1269	2693
AFDC–U	1269	2757
Maine		
AFDC	1587	1471

SOURCES: Final reports from individual state evaluations.

eligible welfare recipients produced mixed results. In two of the four programs where benefits and costs have been compared, Cook County and San Diego's program for AFDC recipients, welfare recipients experienced a small net gain in income – that is, their increased earnings and fringe benefits slightly outweighed their losses owing to taxes and reduced welfare payments (in Cook County, CWEP resulted in increased welfare income). In the other two programs, West Virginia's and San Diego's program for AFDC-Us, the net effect on the income of welfare recipients was negative, although the losses were small. Thus, while work experience generally appears to be cost-effective from the standpoint of taxpayers, it appears to have relatively little net effect on the economic well-being of welfare recipients.

VII. Getting to Scale: Implementing Unpaid Work Experience

For policymakers considering an expansion of unpaid work experience as part of a plan to time-limit welfare, the studies from the 1980s offer some guidance, but leave a number of questions unresolved. Most critically, major uncertainties remain about scale, both in terms of the administrative feasibility of implementing larger efforts and the extent to which the experience of smaller programs from the past continue to be applicable. This section describes some of the basic management and implementation choices administrators faced in implementing past programs, focusing in particular on San Diego I, Cook County, and West Virginia. It then explores operational implications of expanding unpaid work experience under time-limited welfare.

Program Management and Implementation Choices

Program Administration and Staffing

As noted in the cost section, the unpaid work experience programs MDRC evaluated were usually administered by the welfare agency (the exception was in Maryland). However, state and local welfare agencies organized and staffed unpaid work experience in different ways, depending on factors such as management and budgetary priorities, program scale, and the relationship between unpaid work experience and other employment-related services. For instance:

- In San Diego I, the work experience program was staffed by 14 job developers, four supervisors, and a project manager who worked in the welfare department's Employment Services bureau. Staff were co-located with eligibility workers in the county's seven Income Maintenance offices. The job developers were work experience generalists, who were responsible for all intake, worksite and participant-monitoring functions for AFDC, AFDC-U, and Food Stamp work experience cases. Caseloads during the evaluation period averaged about 150 clients per worker. Although San Diego's program was sequential – with work experience following job search – each component was operated separately.[77]

- In Cook County, the 15 work experience staff were part of employment units located throughout the county that were responsible for operating both the job search and work experience components of the county's program. Work experience staff were specialized by function; most workers handled intake, orientation, and monitoring responsibilities, and a few staff were assigned to worksite development exclusively. Ongoing worker caseloads averaged approximately 90 clients per worker.[78]

---

[77]Goldman et al., 1984.
[78]Quint and Guy, 1986.

- In West Virginia, CWEP was the centerpiece of a separate work division within the state welfare department that was administered at the deputy commissioner level. The program was staffed by caseworkers responsible for all aspects of the work experience program for both AFDC and AFDC-U cases. The four AFDC-U saturation counties had 24 work experience caseworkers who managed ongoing caseloads of between 50 and 75.[79]

The decision of whether to administer work experience programs separately from other employment services entailed making some of the operational trade-offs that generally come into play in decisions about degree of service integration or specialization. Operating units dedicated exclusively to work experience and housed within a separate administrative division could develop programmatic expertise more readily and focus their effort exclusively on work experience. This kind of arrangement seemed especially well-suited to West Virginia, given the stand-alone program design and the saturation objective. On the other hand, for smaller-scale programs (such as those of Cook County and San Diego) that had a sequence of services, too much separation between work experience and other program components could complicate referral procedures and participant tracking. This was reportedly an issue in San Diego I, where there was very little contact between work experience staff and job search staff, who worked in different agencies. To address this, when the SWIM Demonstration was subsequently implemented in San Diego, a special unit was created to track clients through different program components, although job search and work experience continued to operate separately.[80]

Program Intake and Referral

Intake and referral functions differed depending on program targeting criteria and service sequence. In San Diego and Cook County, clients were referred to CWEP after completing job search, but referral selection criteria differed. West Virginia had less screening and no referral procedures per se because it was a stand-alone program. What follows is a description of program intake and referral processes.

- San Diego I began with a brief screening by job search staff to determine if there were any obvious medical barriers or child care needs that would exempt the client from participation in work experience. The presumption was that clients would be able to participate since they had just completed job search. However, once they were referred to the work experience component, clients were reassessed and could be temporarily deferred or referred to welfare department social workers if they claimed they were

---

[79]Ball, 1984.
[80]Hamilton, 1988.

eligible for a longer-term exemption. About 88 percent of clients who showed up at these assessment interviews ended up being referred to a worksite.[81]

- Cook County used more selective referral criteria. Work experience was targeted to recipients whom staff thought were likely to benefit most from participation. The criteria included no previous work experience; lengthy history of unemployment; and subjective factors such as a perceived lack of motivation for a successful job search. Most recipients who completed job search ended up not being assigned to work experience.[82]

- In West Virginia's saturation program for AFDC-Us, formal exemptions were limited to clients who received very small AFDC checks; who were already working 80 to 100 hours a month; or were already participating in vocational or on-the-job training. Case-workers could also defer people with health problems or transportation hardships. Staff also could exclude recipients who they felt were unreliable or potentially disruptive. For AFDC cases, participation criteria were more selective. Assignments were made only to the extent that women could make their own child care arrangements, and a large number of medical exemptions were granted.[83]

Worksite Development and Assignment

Worksite development was an administrative challenge, but since most programs in the 1980s were designed on a fairly small scale, they generally were able to develop enough slots to meet their operating needs. The most common strategy was to target agencies that had previous experience in other public works programs.

Program staff matched participants with jobs based primarily on the practical needs of the client and the sponsor. For example:

- In identifying worksite positions in San Diego I, job developers built on the experience of the county over several decades in developing positions for General Assistance (GA) cases (and, later, for Food Stamp recipients). Initially, developers canvassed all agencies that had sponsored Food Stamp or GA cases to identify available entry-level positions. In marketing the program, staff emphasized that it was intended primarily to build work skills and a work record for participants rather than to make welfare recipients "earn" their benefits. When matching recipients with jobs, developers attempted to find positions that met the recipients' interests and background and, most importantly, were close to home. It was often possible to meet both criteria, but when a choice had to be made, to minimize the costs of travel reimbursements, geography was usually the determining factor.[84]

---

[81]Goldman et al., 1984.
[82]Quint and Guy, 1986.
[83]Ball, 1984.
[84]Goldman et al., 1984.

- In Cook County, the development of worksites for CWEP also drew extensively on the previous experience the county had in running a GA program. The basic marketing approach taken was either to attempt to get GA sponsors to transfer slots to CWEP or to add CWEP slots in different occupational areas. The program had some success in converting GA contracts – especially in day care centers, where sponsors preferred women for child care duties. Eligibility criteria for sponsorship was minimal; any agency that could document nonprofit status and was covered by workers' compensation was eligible. However, job developers did make some effort to ensure that the sites were adequately supervised. Almost all of the slots were in nonprofit community agencies. Citing the costs of worker compensation and union opposition, the state, Cook County, and the City of Chicago would not participate in the program.

  Cook County CWEP staff attempted to meet recipients' preferences for types of jobs, schedules, and locations, as well as the needs of the worksites. However, at times the two would be in conflict. CWEP staff challenged the worksites if they felt they were being too selective (demanding, for instance, that only high school graduates should be referred). In general, Cook County had more difficulty matching recipients to worksites than other programs studied by MDRC. Although the program was able to develop 2,200 positions, only half were ever filled, owing to staff workload demands and the difficulties of the matching process.[85]

- In West Virginia, the saturation demonstration required a rapid expansion of the program to meet the demand for increased worksite placements. Fortunately, a strong base existed for the expansion. A public works program for AFDC-U men had been in place since the early 1960s, and the state had extensive experience in running subsidized employment through Public Service Employment under CETA. The saturation areas were able to increase participation rapidly: from a monthly rate of 46 percent of eligibles when the demonstration began to a peak of 69 percent four months later. This was accomplished by reaching out to new sponsoring agencies and asking current sponsors to accept more participants. Additional resources also were made available to keep up with workload demands in the saturation areas, including a one-third increase in the number of work experience staff in all of the offices.

  The primary consideration for matching AFDC-U participants in these mostly rural worksites was geographic access to the work location. No participant was supposed to be assigned to a job that entailed more than one hour of travel from home each way. Another important factor influencing work assignment decisions was the desire to provide the sponsor with good workers. As mentioned earlier, workers thought to be unreliable were often deferred. Recipient preferences rarely figured in assignment decisions; selective skills-matching was rare, and only happened in response to work sponsor demands.

  The CWEP program for AFDC recipients in West Virginia was far more selective. Staff reported that it was more difficult to match AFDC mothers with jobs due to scheduling constraints related to child care. Transportation also presented more of a

[85]Quint and Guy, 1986.

problem because fewer women than men had automobiles. Consistent with its objective to satisfy work sponsors, program staff also tended to assign women who appeared to be more employable (e.g., with recent work histories and high school diplomas).[86]

Participant-Monitoring and Enforcement

The most common approach to monitoring that MDRC observed was for staff to review participant attendance forms or time sheets that worksites submitted to the unpaid work experience program. Time sheets were also used to determine transportation allowances or the amount to reimburse for other support services. Program staff monitored on an exception basis when problems were reported by worksite supervisors or participants; less typically, the programs had regularly scheduled contact between program staff and participants or between staff and worksite supervisors (or some combination of the two). To illustrate:

- Although program guidelines in San Diego I indicated that job developers were supposed to visit large worksites quarterly and smaller worksites every 6 or 12 months, staff reported that workloads prevented them from doing so. Job developers would usually discover participants were not showing up at the worksite when either sponsors or participants notified them of problems or when time sheets were returned each month and reviewed. Program staff rarely initiated contacts with the worksite after initial job placement. More than half of the worksite supervisors interviewed reported that they never had a contact with a job developer; 20 percent of the worksite supervisors reported occasional contact; and 20 percent reported regular contact.[87]

- In Cook County, attendance reports were also the principal means of monitoring, but these reports were supplemented by brief monthly client interviews and occasional visits to the worksites. Sponsors were supposed to notify program staff immediately when clients missed work days, but usually they did not. Since attendance reports typically were late, staff often found themselves addressing attendance problems long after they occurred.[88]

- In West Virginia, there was more frequent personal contact between program and worksite staff than in the other two programs. About half of worksite supervisors interviewed reported phone or in-person contacts with program staff to discuss worksite or participant problems at least once a month; one-fourth of the worksite supervisors reported episodic contact; and 25 percent reported no direct contact.[89]

The main advantage of relying on attendance forms or reported problems as a way to monitor participation is that it takes less staff time than regular interviewing or site visits. In San Diego, where

---

[86]Ball, 1984.
[87]Goldman et al., 1984.
[88]Quint and Guy, 1986.
[89]Ball, 1984.

staff had relatively large caseloads and were responsible for all aspects of the program, a "lean" approach to monitoring was considered essential. To some extent, this approach also reflected a policy decision to leave supervision to the worksite so that participants would be treated more like regular employees. The main disadvantage of reliance on an attendance reporting system (as illustrated in Cook County) was that, in most instances, problems were not made known to staff until several weeks after they occurred; thus, the opportunity for intervention that may have averted participants from dropping out often was lost. A paper-oriented, exception-based monitoring system may also dilute the programs' message with regard to obligation. However, more regular contact with participants and worksites is comparatively time-consuming and costly. In West Virginia, staff could handle the responsibility because individual worker caseloads were smaller than in other sites.

Approaches to enforcement and sanctioning were also driven by workload concerns to some extent, as well as by how strongly the program wished to emphasize mandatory participation. For example:

- In San Diego I, when recipients did not show up for a scheduled appointment with the job developer, or when the job developer learned that participants were not attending the work assignment, the developer would refer the case for adjudication and possible sanction to Income Maintenance staff. Workers felt that they did not have enough time to try to contact the client themselves to resolve the problem.[90]

- In Cook County, work experience staff reported that they spent considerable effort trying to keep clients participating rather than initiate enforcement actions. The primary reason staff gave for trying to resolve sanctions was workload and sponsor relations. CWEP assignments were often shared by two or more participants to provide a full day of coverage to a sponsor. It could take weeks to fill a position left vacant by a nonparticipant. For this reason, CWEP staff, unlike job search staff, were less willing to sanction participants and gave them many "second chances" before resorting to sanctioning.[91]

- In West Virginia, the work experience caseworkers were responsible for initiating sanctions for noncompliance. When a caseworker learned that the participant was not meeting worksite attendance or performance requirements, the client was placed on a six-month probationary period. Subsequent offenses during this period would result in a sanction. However, caseworkers and area offices varied in the proportion of cases resolved without sanctioning. Some caseworkers and welfare offices tolerated a number of violations before recommending a grant termination. Moreover, sanctioning of AFDC cases was far less common than for AFDC-U cases.[92]

---

[90]Goldman et al., 1984.
[91]Quint and Guy, 1986.
[92]Ball, 1984.

Operational Issues in Expanding Unpaid Work Experience Under Time-Limited Welfare

One version of time-limited welfare under consideration at both the federal and state levels of government is to limit welfare to two years, followed by mandatory participation in some form of unpaid work experience. Another option under discussion would follow welfare with some form of paid public service employment.[93] As of this writing, no specific plan has been put forth by the current administration, although some state governments are beginning to develop proposals. It may be useful, therefore, to consider some of the operational issues states and localities are likely to face if they are required to implement some version of unpaid work experience for recipients still on welfare after two years. The following discussion examines some of the major issues, drawing on MDRC's previously published research, the observations of MDRC staff in the field, and discussions with JOBS program administrators in a number of states and counties during early 1993.

Developing Sufficient Worksite Capacity Will Be a Major Administrative Challenge

The number of slots that would need to be developed under time-limited welfare will depend on how the two-year time limit is calculated; who might be exempted from participation; and the intensity of the participation requirement (i.e., part-time or full-time, limited or continuous duration). However these issues are decided, for most states the expansion effort is likely to be considerable, given how small most CWEP or Alternative Work Experience programs are under JOBS. There are currently no states operating unpaid work experience on a saturation scale, and even comparatively large programs would have to grow considerably to accommodate the entire mandatory caseload that would remain on assistance after two years.

Not surprisingly, when MDRC staff asked various state and local JOBS officials what they thought about the feasibility of implementing an unpaid work experience program for recipients still on welfare after two years, their biggest concern was how could they find enough positions to place everyone.[94] As one state administrator put it, "I am having trouble getting counties to develop placements for a small number of AFDC-U cases. I cannot imagine what I would do to get them to place thousands of cases." Another local administrator said, "We don't have much experience with CWEP. I do not know how we could develop the support and linkages with community agencies to make it happen."

New York City provides an indication of the level of effort that would have to take place to create

---

[93]See, e.g., Ellwood, 1992.

[94]Interviews by MDRC staff of program administrators in seven state and local JOBS programs conducted in the spring of 1993.

enough unpaid work experience positions for welfare recipients considered eligible to work. During the 1980s, New York City operated one of the largest work experience programs in the country, averaging 3,500 to 4,000 welfare recipients participating in work assignments. At its peak, the New York City program enrolled 7,500 participants, but this is in comparison to a total AFDC caseload of approximately 250,000, of which perhaps half were considered mandatory recipients.[95] Even in West Virginia – despite a long history of running work programs, adequate funding, and broad public and staff support – work slots for the AFDC-U saturation program were increasingly difficult to find when CWEP caseloads grew. AFDC-U participation rates, although remaining quite high throughout the study period, could not be maintained at levels achieved in the early months.[96] It also seems unlikely that an adequate number of slots could have been identified if West Virginia had tried to run a saturation program for the larger AFDC single-parent caseload.

This is not to say that a large-scale work program could not be implemented. There are examples of other large-scale subsidized job creation efforts with different models and different target populations, a review of which is outside the scope of this paper; but the experience of these programs may be relevant to the policy debate over what kind of work program should follow time-limited welfare. For example, the Youth Incentive Entitlement Pilot Projects (part of the CETA program) implemented a job guarantee and enrolled 76,000 youths in jobs in 17 sites across the country in the public, nonprofit, and private sectors. An evaluation of this demonstration by MDRC showed that it is feasible to deliver a job guarantee on a saturation basis for all eligible youth, and that productive work experience was provided.[97] Nevertheless, in specifically considering a major expansion of unpaid work experience for AFDC adults, there are uncertainties about cost and administrative feasibility for which past program experience provides only limited guidance.

It Takes Resources and Staff Effort to Develop "Real Work" Positions

Developing "real work" positions – and just as importantly, being able to fill them – requires resources and staff effort. Staff need to locate sponsoring agencies and develop work slots; perform assessments to match participants with positions; and monitor participation. West Virginia and San Diego SWIM devoted more administrative resources to these functions than other states' programs and achieved higher participation in their programs than other sites.

---

[95]City of New York, 1989.
[96]Ball, 1984.
[97]Gueron, 1984.

Expansion may also be affected by the extent to which job development goals for participants are emphasized in the program. These goals received less attention than the "real work" impetus in the programs of the 1980s, but were a factor nonetheless. As a condition for implementing CWEP, the 1981 OBRA legislation specified that states had to provide jobs that improve employability and assist participants' transition into unsubsidized employment. Because the work positions were in real job settings, the programs did help participants build a recent work record that they could list on a job application, and may have provided participants with some marketable skills.

In general, the 1980s programs provided little job placement assistance to help participants capitalize on worksite experience. The Baltimore Options program was an exception.[98] Baltimore job developers looked for positions that would enhance clients' marketable skills, and they encouraged worksites to hire participants for available openings. Efforts were made to find a job that matched the clients' backgrounds or that reflected an occupational change clients would like to make. Worksite placements in Baltimore lasted 13 weeks and could be extended only if the agency made a commitment to hiring the participant. The TOPS program in Maine also had some developmental features.[99] But TOPS was a voluntary program and was costly, and both Baltimore Options and TOPS had small work experience components that served no more than a few hundred people.

It is unclear whether a program that emphasizes skills development is practical on a large scale, given the need to match participants with appropriate positions and provide the necessary supervision at the worksite and follow-up services. On the other hand, it may be difficult to obtain broad support for a work experience program that does *not* include some emphasis on skills development. Some JOBS programs have attempted to further enhance the training component of work experience, an approach that argues for smaller-scale, targeted programs and short-term worksite placements followed by other employment services.

There Is Little Existing Capacity on Which to Build a Large-Scale Work Program

The unpaid work experience programs of the 1980s developed work slots with sponsors who were familiar with the concept of subsidized jobs through their participation in earlier programs such as CETA/PSE (Public Service Employment) and work programs for General Assistance and Food Stamps recipients. In this way, the programs capitalized on institutional relationships that were already established. Reliance on this preexisting base has continued in JOBS; the few states that emphasize

---

[98]Quint, 1984a.

[99]Auspos, Cave, and Long, 1988.

unpaid work experience also had relatively large programs under WIN. An incremental strategy of program marketing and job development may not be feasible, however, if there is a large expansion under time-limited welfare. It was easier to market and develop work experience slots on the fairly small scale required in the aftermath of the CETA/PSE program – which left 700,000 vacant jobs – than it will be to develop a large program at the present time. This may argue for a phase-in strategy targeted first to the few locations that have some recent experience running CWEP as a significant component in JOBS or that have maintained an infrastructure to run work experience programs for other populations.

It may not be preferable to attempt to manage the complex worksite components of a large-scale work program from within welfare departments, where numerous competing program priorities and lack of staff with the necessary specialized skills and experience could hamper effective slot development and worksite management. Alternative administrative structures may need to be considered, including the possibility of setting up new agencies to spearhead such an effort. However, the added costs of government expansion for such a purpose could also become obstacles, as could the challenge of setting up adequate linkages with the welfare department to handle referral procedures, participation monitoring, and enforcement.

Developing Positions That Involve "Real Work" May Threaten Public Employees and Their Unions

Critics of unpaid work experience in the 1980s feared that a work obligation would lead to "make work" that would demoralize participants and provide little benefit to society. The programs evaluated by MDRC indicate otherwise. As discussed in Section IV, worksite supervisors and participants viewed the work as important, and supervisors rated program participants as productive as regular employees.

It is difficult to envision any scenario under which "make work" would be considered an acceptable policy or programmatic option. Nevertheless, it is an open question whether enough "real work" slots could be developed under a major program expansion. A major obstacle is the political opposition from public employees and their unions, who fear job displacement and work force disruption due to unpaid work experience. As mentioned earlier, CWEP positions could not be developed in any governmental agencies in Cook County for this reason. More recently, a work experience program in Pennsylvania was almost completely phased out during a state budget crunch because full-time workers viewed CWEP participants as a threat to their jobs.[100] The fear of unpaid work experience being used to displace existing paid workers – or prevent the filling of permanent job vacancies – has been a major concern

[100]Lurie and Hagen, 1993.

of unions and government staff since the inception of these programs, and has contributed to inhibiting their growth despite the apparent needs of government agencies for more personnel. The tension between a program that requires "real work" but does not threaten permanent jobs could become much more significant if there is a major expansion.

The Expansion of Unpaid Work Experience Will Need High-Level Political Support to Gain Cooperation of Various Constituencies

In West Virginia and San Diego I, it was relatively easy to develop work experience slots owing to the long history of work programs and the consensus of support for the concept. In many urban areas – New York City, for example – CWEP was more controversial, and its value to potential sponsors was often not enough to obviate the way it has been negatively perceived. Strong mayoral support was critical for the New York City program to use as leverage to encourage sponsorship. Political clout was also needed because the agency responsible for administering the program, the Department of Social Services, had no administrative authority over the potential worksite sponsors in other government agencies. According to program administrators, when CWEP was getting started in the mid 1980s and having difficulty finding sponsors, the mayor made sure that it was a management priority for city commissioners to accept work assignments. The mayor also dealt with criticisms from advocates and labor unions. Since CWEP was unpopular among advocates, labor unions, and other groups, the program might never have gotten off the ground without mayoral support. Even then, the program remained relatively small. A broader expansion of work experience is likely to require ongoing political support and efforts at consensus-building.

Matching Participants and Work Slots May Become More Difficult Under Time-Limited Welfare as Volume Increases and the Ability to Screen Is Reduced

As noted earlier, the process of matching unpaid work experience participants to worksites was determined in the past by factors such as transportation and child care needs; the "presentability" required for different worksite assignments; and, in some programs, the interests and preferences of program participants. Some level of screening was needed to keep sponsors in the program satisfied and to maximize client participation.

The assignment and matching process under time-limited welfare would encounter additional challenges, due to the greater number of people who would need to be screened and the nature of the population targeted for work. Program participants would be different from those served in the past, since work experience would become the "last resort" for people who have been on AFDC for two years,

have had the opportunity to receive education and training services, but were unable to find a job. Although the reasons why this group is unemployed will be varied, chances are that these recipients may be perceived as less employable than other welfare recipients by potential worksite sponsors. The perception that these recipients are more disadvantaged will become a reality if there is no mechanism for screening clients out of the work requirement. Under WIN and JOBS, funding constraints on the potential number of active participants and the ability to defer "unemployable" clients enabled staff to screen out participants and do a certain amount of selective matching. If unpaid work experience becomes a saturation program for those who remain on welfare after two years – and if deferrals are not allowed – this group will be more difficult to place in worksites than the more selective population who participated in the 1980s programs.

Differences in AFDC Grant Levels Among the States May Affect the Hours and Length of Work Requirement

In the 1980s, states made decisions about the hours and the length of participation in unpaid work experience based on political considerations, feasibility of implementation, funding limits, and the policy goals of the program. Political opposition to a continuous requirement to "work off" the welfare grant made it easier for most states to implement either the limited-term WIN Work Experience model (where hours were not tied to the grant formula) or a short-term version of CWEP. Limited administrative capacity and funding also pushed most states toward WIN Work Experience or short-term CWEP. For states with low AFDC grants, the most significant factor in choosing between these two models may have been whether an hours formula based on grant amounts would generate enough hours to be considered a real obligation. Arkansas, for example, switched from CWEP to WIN Work Experience in 1983 because low AFDC grants translated to an average of only 39 hours of work a month.[101] Under WIN Work Experience, assignments were limited to 13 weeks, but participants could be reassigned to a different worksite for another 13 weeks. In higher-grant states, the CWEP formula could usually generate at least 20 hours a week for an assignment. States that utilized CWEP had the option of making the participation requirement continuous, but of the study sites only West Virginia had continuous participation requirements.

The choices between CWEP and Alternative Work Experience under JOBS pose the same issues. Higher-grant states in JOBS – as in WIN – are more likely to use CWEP than Alternative Work Experience. Oklahoma (a relatively low-grant state) chose an Alternative Work Experience model

---

[101]Quint, 1984b.

because the state wanted to replicate a full-time job as closely as possible in terms of hours. Hence, assignments are usually 30 hours per week and generally last for three months.

The same factors are at play for planners of a work program under time-limited welfare: If a CWEP formula is used, participants in higher-grant states will have to work many more hours than participants in states that pay less. "Indeed, those in Alaska would need to work full-time, while those in Mississippi only a few hours a week."[102] By instead using a WIN Work Experience-type model, participants could be required to work the same number of hours. However, another disparity is created by the fact that the effective wage rate for those in low-grant states would be only a couple of dollars an hour. There may be ways to address these disparities through other formulas. Alternatively, states could continue to have the options to run CWEP or Alternative Work Experience now available under JOBS, but the issues surrounding assigned hours are likely to figure more prominently in national debates about this program than in the past.

Child Care Costs May Be High or Low Depending on How Work Hours Are Assigned

Another set of important questions about the hours and length of unpaid work experience involve child care. For example, should assignments vary based on the ages of children in the household, and should work hours be structured to minimize child care costs? This was done in two 1980s programs that had continuous participation requirements: in West Virginia and New York City. West Virginia scheduled work around the school day, with time off in the summer. New York City adjusted the work schedule for single parents with children under 13 years old. Participants worked 40 hours every two weeks, were furloughed for school holidays and vacations, and did not have to make up hours missed when a child was sick and home from school.

The child care cost issue becomes more critical if the JOBS mandatory group (women with children as young as three years old) are subject to the CWEP requirement. The clear message of the Family Support Act was that since the government is willing to assume the cost of child care, an obligation to participate in employment and training with a goal of achieving self-sufficiency is a fair exchange. It is unclear whether the same value equation would prevail if the primary goal is a work obligation, without a clear link to self-sufficiency. The costs here are likely to be high, and people may well ask if the work obligation is worth the expense of child care.

---

[102]Sawhill and Scott, 1992.

Participation Exemptions and Deferrals Can Limit the Size of the Program but Can Also Weaken the Mandate

The need for cost containment and to make a work program manageable pushes toward limiting the number of clients who participate in unpaid work experience. This may be achieved by increasing the number of people who leave welfare during the first two years of the program as a result of JOBS services; making work more attractive than welfare through the Earned Income Tax Credit and expanded health insurance; and deterring people from remaining on welfare for more than two years by strictly enforcing the time limit and work requirements. The remaining options, beyond simply restricting the number of work slots, are to make the time limit begin at a point beyond two years; define "two years" as a single, uninterrupted spell of welfare receipt; or adopt generous exemption and deferral policies.

Most JOBS program staff interviewed by MDRC could not conceive of a time-limited welfare program without some exemptions and felt that the current federal exemptions should be retained.[103] In WIN and JOBS, there were a number of criteria that exempted people from the participation mandate, including disability, temporary illness, caring for an ill person in the home, the age of children, and work of 30 hours or more per week. In addition, most programs have relied on less formal criteria to defer people from participation for a variety of practical reasons, including problems such as lack of child care or transportation, family crises, emotional problems, drug abuse, learning disabilities, and behavioral disorders. The number of welfare recipients needing exemptions or deferrals at any point in time is difficult to gauge. Some people truly cannot work; others can, with adequate support. Moreover, we know little about how to assist marginally employable long-term recipients make the transition to work.

On one hand, any attempt to restrict the number of deferrals and exemptions is likely to lead to legal challenges and may result in a perception that the work mandate is harsh or unfair, insofar as it requires recipients to participate who for various reasons may not be able to function in a work setting. At the same time, sponsoring agencies and worksites who have come to expect some screening and selection process for participants may be less willing than in the past to accept program referrals under these circumstances. For this reason, as mentioned, even West Virginia's saturation AFDC-U program allowed recipients to be excluded if caseworkers determined that the men could not function at a worksite or might be disruptive. On the other hand, generous exemption or deferral criteria are also problematic; if exemptions and deferrals are granted easily, the work requirement under time-limited welfare will not

[103] Interviews by MDRC staff of program administrators in seven state and local JOBS programs conducted in the spring of 1993.

be taken seriously. Simply reviewing and processing exemption and deferral requests is likely to be a time-consuming and costly process, as is resolving the many administrative appeals that occur when exemptions are denied.

Enforcement and Sanction Policies Will Pose Difficult Choices

How a work mandate is enforced under time-limited welfare is obviously a key decision. On one hand, doing anything less than ending all benefits as the penalty for noncooperation would seem to contradict the idea of time-limited welfare. On the other hand, cutting all benefits may seem to contradict the fundamental purpose of AFDC: to provide a financial safety net for children.

The worksite participants in the welfare-to-work programs operated during the 1980s understood that the program was mandatory and still responded favorably. However, as indicated in Section III, sanctions were not used extensively at the study sites. Even in Cook County, which referred more recipients to sanctions than most of the other programs MDRC studied, sanctioning was generally associated with the job search component rather than CWEP. There were practical operational reasons for this. Staff reported that they were reluctant to use sanctions once recipients were assigned to work experience because it was difficult and time-consuming to replace participants at worksites. Instead, staff would try to get participants and worksite supervisors to try to work out arrangements whereby work hours could be made up, even after several infractions were committed.

If the penalties for noncompliance are harsher in unpaid work experience under time-limited welfare than in past programs, staff may be even more reluctant to enforce them. There also may be a strong reluctance on the part of many states to fight contentious battles with welfare advocacy groups on sanctions and work programs.

How Participants Are Remunerated May Resemble Either a Paycheck or a Welfare Check

An important issue in setting up a work obligation is deciding how participants should be remunerated for their work. Participants could receive a paycheck for hours actually worked that would be issued by the sponsoring agency, or they could continue to receive the welfare benefit in exchange for meeting the work requirement. The former method is appealing because it makes the work assignment more like a real job. It could also reduce the administrative burdens associated with having welfare departments monitor compliance with the work obligation and process sanctions. Such an approach could be construed as a hybrid of Public Service Employment and unpaid work experience. The feasibility and cost of this option would depend on the extent to which receiving a paycheck is interpreted to mean that

the participant is entitled to other benefits and protections available to regular employees, and if there is a willingness to pay only on the basis of performance.

Conclusion

The data from the welfare-to-work studies suggest that policymakers and welfare administrators should carefully consider what goals they hope to achieve before implementing or expanding the use of unpaid work experience. The research found that unpaid work experience can succeed in reinforcing a social obligation goal of welfare: that is, the idea that able-bodied recipients should work for their cash benefits. Furthermore, the obligation could be implemented in a way that was perceived as fair and positive by most participants while providing society with useful and productive work.

If the objective is to achieve maximum participation in unpaid work experience, the research indicates that it may be possible to involve substantial portions of the welfare caseload in unpaid work experience under certain conditions, but the evidence is limited. With the exception of AFDC-U men in West Virginia, there were no saturation-scale, unlimited-duration work programs. Moreover, the particular economic and political conditions of that state – with its strong consensus of support for a work obligation and its depressed labor market – are unlikely to be replicated in many other settings. Of the programs for predominantly female, single-parent AFDC cases, only San Diego SWIM and West Virginia's involved a large number of people in unpaid work experience relative to the welfare caseload, and only West Virginia attempted to enforce a continuous participation requirement.

If the goal is to increase employment rates and earnings and reduce welfare receipt and payments, the limited evidence from the few impact studies suggests that unpaid work experience may not be an effective means of accomplishing this goal. Viewing the goals of the programs in terms of cost-effectiveness also provides a mixed picture. From a taxpayer perspective, unpaid work experience is generally cost-beneficial, but how much so depends on the estimated value of output of work experience. From the perspective of government budgets and welfare recipients, the cost-benefit conclusions were less conclusive.

There are many unanswered questions about the feasibility of a large-scale expansion unpaid work experience under time-limited welfare. Can enough "real work" positions be developed? Will there be sufficient political and public support at the state and local level to sustain a broad expansion, especially in urban areas where welfare advocacy groups and labor unions tend to be stronger? How can a large work program be administered efficiently? Can policies on the hours and duration of participation, exemptions, and sanctions be established that can help limit the costs and scale of the program without

diluting the message of basic change? For the most part, these questions take us into uncharted territory. But if the experience of the past provides any guidance at all, it cautions that unpaid work experience is likely to be challenging to implement and complex to administer. These uncertainties suggest that, if unpaid work experience is adopted as part of time-limited welfare, there should be a gradual approach to implementation that would attempt to test out feasibility under different conditions before undertaking a broader-scale effort.

APPENDIX

This appendix provides additional information on two topics raised in Section VI ("The Costs and Benefits of Unpaid Work Experience"): (1) calculating average costs using alternative measures of work experience "volume," and (2) assessing the cost-effectiveness of work experience from different perspectives.

Average Cost Estimates

Table 9 presented the estimated cost of unpaid work experience per participant and per experimental in the programs MDRC evaluated – two useful bases to use in calculating average costs, but certainly not the only ones that can be used. Table A.1 presents the average cost of work experience calculated by dividing total cost by five different bases, all of which measure the volume of cases that could and/or did participate in work experience:

- **Cost per AFDC case.** The first column uses the most inclusive possible base – namely, all welfare cases in the jurisdiction where the program operated.

- **Cost per experimental.** The second column restricts the base to experimentals – essentially all AFDC cases who registered for the welfare-to-work program that was studied.[1] This is one of the bases used in Table 9.

- **Cost per targeted case.** The base in the third column is "targeted cases," which include all experimentals (all registered cases) who a program *intended* to enroll in unpaid work experience. In the San Diego I, SWIM, Cook County, Maine, and Arkansas programs, this is all experimentals who entered the unpaid work experience phase of the program – that is, completed the job search phase (or prevocational training, in Maine) without starting a regular job or leaving welfare. In Virginia, it is all experimentals who completed job search and were assigned to CWEP as their second activity.[2] In West Virginia, unpaid work experience was the only program

[1]In most studies, some fraction of cases who registered for the program were excluded from the impact analysis (e.g., cases who had recently participated in the same or a similar program were not randomly assigned to the experimental or control groups). However, the cost of serving these excluded registrants has been subtracted from total cost in making this average cost estimate. Thus, the cost per experimental is essentially the same as the cost per registrant.

[2]In Virginia, cases who completed job search were assessed to determine what their second activity would be. Some were assigned to CWEP – about 13 percent of eligible cases – and others were assigned to education or training.

TABLE A.1

AVERAGE COST OF UNPAID WORK EXPERIENCE, BY PROGRAM, CALCULATED USING FIVE DIFFERENT BASES (a)

Program	Cost per AFDC Case	Cost per Experimental	Cost per Targeted Case	Cost per Participant	Cost per Filled Position Year
West Virginia					
AFDC	$80	$317	$317	$1325	$1122
AFDC–U	411	411	411	681	681
Arkansas					
AFDC	6	47	173	1624	7038
Cook County					
AFDC	4	73	317	1004	1894
San Diego I					
AFDC	7	135	603	1039	2252
AFDC–U	38	160	612	955	2235
San Diego SWIM					
AFDC	22	285	640	1358	6038
AFDC–U	75	260	549	1285	5797
Virginia					
AFDC	54	197	1512	2070	6677
Baltimore					
AFDC	3	229	279	1269	4123
AFDC–U	14	176	219	1269	4123
Maine					
AFDC	15	1074	1212	1587	8168

SOURCES: Work experience cost and participation data from MDRC's interim and final reports on the welfare–to–work programs covered in this paper.

NOTES: (a) The total cost of unpaid work experience in each program has been divided by five different measures of the cases served by the program. See text for definitions of these measures.

activity, so everyone was targeted to enroll in it. In Baltimore, "targeted cases" include all cases who were targeted for an activity that *could* be unpaid work experience.[3]

- **Cost per participant.** The base in the fourth column of the table is participants in unpaid work experience – that is, cases that worked at least one day at a program worksite. This base was also used in Tables 9 and 10.

- **Cost per filled position.** The last column uses the average number of positions, or "slots," filled by participants in unpaid work experience during the period the work experience program or component operated. Both total cost (the numerator in this cost measure) and the number of filled positions (the denominator) cover a one-year period.[4] Thus, this estimate indicates the cost of keeping one work experience slot filled by participants for one year.

All of these denominators have merit and none constitutes the "right" way to think about the average cost of unpaid work experience. The information in Table A.1 underscores and extends the conclusions reached earlier about how important differences in program design, targeting, and scale can be to the cost of unpaid work experience.

Program Design and Targeting

Comparing the average cost estimates presented in Table A.1 reiterates the importance of work experience targeting and design features. In some instances, the three average cost measures used in this table (but not used in the text tables) make this especially clear. For example, the cost of work experience per filled position in Maine was $8,168, the highest cost per position in the programs MDRC studied. However, the average duration of work experience assignments was only 10 weeks compared to 61 weeks in West Virginia. As a result, the cost of work experience per Maine participant, $1,587, is only slightly higher than the cost per AFDC recipient in West Virginia, even though the cost per filled position in West Virginia was less than one-seventh of what it was in Maine. Moreover, because the program in Maine was run on a very small scale for a narrow segment of the welfare population, the cost per AFDC case was much lower than in West Virginia.

The cost implications of different targeting and participation-monitoring strategies are unmistakable when the cost per AFDC case is compared across programs. The highest costs were in the programs that sought to "saturate" their caseload – that is, made a concerted effort to secure participation from

---

[3]In Baltimore, all cases who registered for the program – 85 percent of eligible cases – could *choose* to be in unpaid work experience (they also could choose job search, education, or training). About one out of four registrants did choose to be in work experience.

[4]The number of filled slots for each program equals the number of participants in unpaid work experience times the average length of their participation (in years).

everyone targeted to participate in the program: in West Virginia and San Diego SWIM. The other programs, which did not try to achieve saturation, had costs of between $3 and $54 per AFDC or AFDC-U case. The lowest costs per case were in Baltimore – which used restrictive targeting policies – and in Cook County, which had low participation rates.

Program Scale

Program scale is an especially important determinant of the average cost estimates in the first two columns of the table – the cost of work experience per filled position and per participant. The relationship between the cost per filled position and the scale of operation was presented graphically in Figure 3; this table provides the cost estimates used in that figure (in Figure 3 the cost per position was the weighted average for the AFDC and AFDC-U groups).

It is also noteworthy that some of the effects of scale on the average costs of operating unpaid work experience may reflect the fact that programs devoted staff and other resources to work experience based on *expected* rather than actual work experience participation levels. In other words, programs often had fewer work experience participants than cases targeted to receive work experience – which is the reason that the cost of work experience per participant was several times as large as the cost per targeted case in some programs. In several programs, a fraction of the work experience positions that were arranged were actually filled with participants, owing to difficulties either securing participation or matching individual cases with particular assignments. Other programs had problems developing worksites. Because programs sometimes operated on a smaller scale than planned, the total cost of work experience has been divided by a correspondingly smaller number of filled positions, and a higher cost per filled position has resulted.

The Cost-Effectiveness of Work Experience

The assessment of the cost-effectiveness of unpaid work experience presented earlier was made from the perspective of taxpayers. This assessment can also be made from the perspectives of eligible welfare recipients and society as a whole. The perspective of welfare recipients identifies benefits and costs to eligible recipients who registered for the program (i.e., members of the experimental group), indicating how these individuals fared as a result of work experience. The taxpayer perspective identifies benefits and costs from the viewpoint of everyone in society apart from these welfare recipients; within this perspective, it is possible to isolate benefits and costs that affect government budgets. The taxpayer and welfare recipient perspectives together constitute the social perspective.

Table A.2 presents benefit-cost results from all of these perspectives. As with the previous analysis, these findings are limited to programs that served AFDC recipients in West Virginia, AFDC applicants in Cook County, and both AFDC and AFDC-U applicants in San Diego I. The results reflect overall impacts for West Virginia, where CWEP was the other program activity, and differential impacts for San Diego and Cook County, where one group of experimentals received job search in addition to CWEP and another group received job search alone. The benefits and costs of unpaid work experience by itself could not be isolated for other programs.[5]

Dollar values have been placed on all measurable program effects, including the impacts on earnings and fringe benefits (not included in Table 12 because they are neither a benefit nor a cost to taxpayers) as well as taxes; AFDC payments; benefits from Food Stamps, Medicaid, and Unemployment Insurance; transfer program administrative costs; and the value of output provided in work experience assignments (all of which are included in Table 12). The program expenditures cover all support services costs and payments to participants as well as program operation and management.

It should be noted that whether a given program effect or expenditure is a benefit or cost depends on what was actually measured and the analytical perspective taken. For example, the reduction in AFDC found to result from work experience in the San Diego I program translates into a loss for welfare recipients and a corresponding benefit for taxpayers. Because the results for these two groups have been added together to obtain the results for society, the recipients' loss is balanced by the taxpayers' gain, resulting in no net social benefit or cost.

As Table A.2 shows, work experience produced a net benefit from all perspectives in the San Diego I program serving AFDC applicants. However, the cost-effectiveness results are not consistently positive across perspectives for the other three programs.

From the perspective of welfare recipients, two programs produced net gains and the other two generated net losses. The key to success from this perspective is earnings. AFDC applicants assigned to work experience in San Diego and Cook County earned more from regular jobs, and both groups experienced a net gain in income. The earnings gain in San Diego – almost $1,000 per experimental

---

[5]However, the overall benefits and costs of these programs were assessed. While it is not possible to determine the cost-effectiveness of work experience components of these programs, it can be noted that all five of these programs serving AFDC recipients were cost-effective from the perspectives of eligible welfare recipients and society as a whole (in Arkansas the program was not found to be beneficial for recipients at the time the final report was published, but further follow-up reversed this conclusion). Four of the five programs were also cost-effective from the perspective of taxpayers (in three of these four programs, the budgetary gains alone exceeded costs). In the three programs serving AFDC-U recipients other than San Diego I, none of the programs benefited welfare recipients, but two out of the three were cost-effective from the perspectives of taxpayers and society.

TABLE A.2

ESTIMATED BENEFITS AND COSTS OF WORK EXPERIENCE PROGRAMS BY PROGRAM, TARGET GROUP, AND ACCOUNTING PERSPECTIVE

Program and Benefit/Cost Component	Accounting Perspective			
	Eligible Cases	Taxpayers	Society	Budget
West Virginia				
AFDC Applicants & Recipients				
CWEP Output	$0	$1232	$1232	$0
Earnings & Fringe Benefits from Employment	−141	0	−141	0
Tax Payments	−4	4	0	4
AFDC Payments	−116	116	0	116
AFDC Administrative Costs	0	12	12	12
Other Transfer Payments	10	−10	0	−10
Administrative Costs	0	2	2	2
CWEP Operating Costs	0	−146	−146	−146
Other Program Operating Costs	0	0	0	0
Allowances and Support Services	209	−209	0	−209
Out−of−Pocket Expenses	−72	0	−72	0
Net Gain or Loss	−115	1001	887	−231
Cook County				
AFDC Applicants				
CWEP Output	0	127	127	0
Earnings & Fringe Benefits from Employment	216	0	216	0
Tax Payments	−53	53	0	53
AFDC Payments	229	−229	0	−229
AFDC Administrative Costs	0	−6	−6	−6
Other Transfer Payments	30	−30	0	−30
Administrative Costs	0	−3	−3	−3
CWEP Operating Costs	0	−46	−46	−46
Other Program Operating Costs	0	22	22	22
Allowances and Support Services	15	−15	0	−15
Out−of−Pocket Expenses	0	0	0	0
Net Gain or Loss	437	−127	310	−254
San Diego				
AFDC Applicants				
CWEP Output	0	295	295	0
Earnings & Fringe Benefits from Employment	987	0	987	0
Tax Payments	−193	193	0	193
AFDC Payments	−407	407	0	407
AFDC Administrative Costs	0	31	31	31
Other Transfer Payments	−156	156	0	156
Administrative Costs	0	13	13	13
CWEP Operating Costs	0	−101	−101	−101
Other Program Operating Costs	0	10	10	10
Allowances and Support Services	7	−7	0	−7
Out−of−Pocket Expenses	−21	0	−21	0
Net Gain or Loss	217	997	1214	702
San Diego				
AFDC−U Applicants				
CWEP Output	0	509	509	0
Earnings & Fringe Benefits from Employment	−400	0	−400	0
Tax Payments	67	−67	0	−67
AFDC Administrative Costs	−37	37	0	37
AFDC Payments	0	3	3	3
Other Transfer Payments	35	−35	0	−35
Administrative Costs	0	−1	−1	−1
CWEP Operating Costs	0	−149	−149	−149
Other Program Operating Costs	0	−27	−27	−27
Allowances and Support Services	7	−7	0	−7
Out−of−Pocket Expenses	−23	0	−23	0
Net Gain or Loss	−350	262	−88	−247

– was large enough to offset a substantial loss in income from AFDC and other public assistance as well as increased taxes. However, AFDC recipients in West Virginia and AFDC-U applicants in San Diego assigned to work experience had lower earnings together with modest losses in welfare – resulting in lower net income.

Three of the programs were cost-effective from the perspective of taxpayers. As indicated earlier, the critical factor for this perspective is the value of work experience output. With the exception of the program for AFDC applicants in San Diego, the programs had a negative budgetary bottom line. But the estimated value of work experience services more than made up for this in two programs.

The results from the social perspective, which combines both of these perspectives, consequently depend on the earnings impact of work experience and the value of its output. Given that earnings measure the value of output from regular employment,[6] the key question from the standpoint of society is this: Is the value of the goods and services generated from increased work by welfare recipients – taking into account regular jobs as well as work experience positions – greater than the net cost of the program? In three of the four programs, this value easily exceeded the cost, and in the fourth the cost slightly exceeded the value.

All four programs increased the work and output of welfare recipients, although in one it did not increase output enough to make the program cost-effective. It is also noteworthy that, in San Diego and Cook County, the increased output of AFDC applicants came from regular employment as well as work experience positions. However, the increase in output for AFDC-U recipients in both San Diego and West Virginia came from CWEP assignments alone.

---

[6]For a discussion of this standard economic assumption, see Kemper and Long, 1981.

REFERENCES

Auspos, Patricia. 1985. *Maine: Interim Findings from a Grant Diversion Program.* New York: Manpower Demonstration Research Corporation.

Auspos, Patricia; Cave, George; and Long, David. 1988. *Maine: Final Report on the Training Opportunities in the Private Sector Program.* New York: Manpower Demonstration Research Corporation.

Ball, Joseph. 1984. *West Virginia: Interim Findings on the Community Work Experience Demonstrations.* New York: Manpower Demonstration Research Corporation.

Bane, Mary Jo; and Ellwood, David T. 1983. *The Dynamics of Dependence: The Routes to Self-Sufficiency.* Massachusetts: Urban Systems Research and Engineering.

Baum, Erica B. 1991. "When the Witch Doctors Agree: The Family Support Act and Social Science Research." *Journal of Social Policy Analysis and Management* 10 (4): 603-15.

Bell, Winifred. 1965. *Aid to Dependent Children.* New York: Columbia University Press.

City of New York. 1989. *The Mayor's Management Report* (Edward I. Koch, Mayor). New York: Citybooks.

Clinton, Bill; and Gore, Al. 1992. *Putting People First: How We Can All Change America.* New York: Times Books.

Congressional Research Service. November 30, 1992. "Federal Rules Limiting 'Workfare' for Recipients of Aid to Families with Dependent Children." Memorandum from Vee Burke to House Committee on Ways and Means. Washington, D.C.: Congressional Research Service.

Couch, Kenneth A. 1992. "New Evidence on the Long-Term Effects of Employment and Training Programs." *Journal of Labor Economics* 10 (4): 380-89.

Ellwood, David T. December 1992. "Major Issues in Time-Limited Welfare." Unpublished paper.

Family Support Act of 1988. Public Law No. 100-485, 102 Stat. 2342.

Friedlander, Daniel. 1987. *Maryland: Supplemental Report on the Baltimore Options Program.* New York: Manpower Demonstration Research Corporation.

Friedlander, Daniel; Erickson, Marjorie; Hamilton, Gayle; and Knox, Virginia. 1986. *West Virginia: Final Report on the Community Work Experience Demonstrations.* New York: Manpower Demonstration Research Corporation.

Friedlander, Daniel; Freedman, Stephen; Hamilton, Gayle; and Quint, Janet. 1987. *Illinois: Final Report on Job Search and Work Experience in Cook County*. New York: Manpower Demonstration Research Corporation.

Friedlander, Daniel; and Hamilton, Gayle. 1993. *The Saturation Work Initiative Model in San Diego: A Five-Year Follow-up Study*. New York: Manpower Demonstration Research Corporation.

Friedlander, Daniel; Hoerz, Gregory; Long, David; and Quint, Janet. 1985a. *Maryland: Final Report on the Employment Initiatives Evaluation*. New York: Manpower Demonstration Research Corporation.

Friedlander, Daniel; Hoerz, Gregory; Quint, Janet; and Riccio, James. 1985b. *Arkansas: Final Report on the WORK Program in Two Counties*. New York: Manpower Demonstration Research Corporation.

Friedlander, Daniel; Riccio, James; and Freedman, Stephen. 1993. *GAIN: Two Year Impacts in Six Counties*. New York: Manpower Demonstration Research Corporation.

Goldman, Barbara. 1981. *Impacts of the Immediate Job Search Assistance Experiment: Louisville WIN Research Laboratory Project*. New York: Manpower Demonstration Research Corporation.

Goldman, Barbara; Friedlander, Daniel; Gueron, Judith; and Long, David. 1985. *Findings from the San Diego Job Search and Work Experience Demonstration*. New York: Manpower Demonstration Research Corporation.

Goldman, Barbara; Friedlander, Daniel; and Long, David. 1986. *Final Report on the San Diego Job Search and Work Experience Demonstration*. New York: Manpower Demonstration Research Corporation.

Goldman, Barbara; Gueron, Judith; Ball, Joseph; and Price, Marilyn. 1984. *Preliminary Findings from the San Diego Job Search and Work Experience Demonstration*. New York: Manpower Demonstration Research Corporation.

Greenberg, Mark. 1988. *Family Support Act of 1988: JOBS Program and Related Amendments*. Washington, D.C.: Center for Law And Social Policy.

Greenberg, Mark. 1992. *Welfare Reform on a Budget: What's Happening in JOBS?* Washington, D.C.: Center for Law And Social Policy.

Greenberg, David; and Wiseman, Michael. 1992. "What Did the OBRA Demonstrations Do?" In *Evaluating Welfare and Training Programs*, ed. Charles F. Manski and Irwin Garfinkel, 25-75. Cambridge: Harvard University Press.

Gueron, Judith M. 1984. *Lessons from a Job Guarantee: The Youth Incentive Entitlement Pilot Projects*. New York: Manpower Demonstration Research Corporation.

Gueron, Judith M. 1987. *Reforming Welfare with Work*. New York: Ford Foundation.

Gueron, Judith M.; and Goldman, Barbara. 1983. "The U.S. Experience in Work Relief." Unpublished MDRC discussion paper.

Gueron, Judith M.; and Pauly, Edward. 1991. *From Welfare to Work*. New York: Russell Sage Foundation.

Hamilton, Gayle. 1988. *Interim Report on the Saturation Work Initiative Model in San Diego*. New York: Manpower Demonstration Research Corporation.

Hamilton, Gayle; and Friedlander, Daniel. 1989. *Final Report on the Saturation Work Initiative Model in San Diego*. New York: Manpower Demonstration Research Corporation.

Haskins, Ron. 1991. "Congress Writes a Law: Research and Welfare Reform." *Journal of Social Policy Analysis and Management* 10 (4): 616-32.

Hoerz, Gregory; and Hanson, Karla. 1986. *A Survey of Participants and Worksite Supervisors in the New York City Work Experience Program*. New York: Manpower Demonstration Research Corporation.

Jansson, Bruce S. 1988. *The Reluctant Welfare State: A History of American Social Welfare Policies*. Belmont, Calif.: Wadsworth.

Kemper, Peter; and Long, David A. 1981. *The Supported Work Evaluation: Technical Report on Value of In-Program Output and Costs*. New York: Manpower Demonstration Research Corporation.

Levitan, Sar. 1977. *Work and Welfare in the 1970s*. Durham, N.C.: Institute of Policy Sciences and Public Affairs of Duke University.

Long, David; and Knox, Virginia. 1985. *Documentation of the Data Sources and Analytical Methods Used in the Benefit-Cost Analysis of the EPP/EWEP Program in San Diego*. New York: Manpower Demonstration Research Corporation.

Lurie, Irene; and Hagen, Jan L. 1993. *Implementing JOBS: The Initial Design and Structure of Local Programs*. Albany, N.Y.: Nelson A. Rockefeller Institute of Government, State University of New York.

Manpower Demonstration Research Corporation, Board of Directors, 1980. *Summary and Findings of the National Supported Work Demonstration*. Cambridge, Mass.: Ballinger.

Nathan, Richard P. 1993. *Turning Promises Into Performance: The Management Challenge of Implementing Workfare*. New York: Twentieth Century Fund.

Nightingale, Demetra Smith; and Burbridge, Lynn C. 1987. *The Status of Work-Welfare Programs in 1986: Implications for Welfare Reform*. Washington, D.C.: Urban Institute.

Price, Marilyn. 1985. *Interim Findings from the Virginia Employment Services Program*. New York: Manpower Demonstration Research Corporation.

Quint, Janet. 1984a. *Interim Findings from the Maryland Employment Initiatives Programs*. New York: Manpower Demonstration Research Corporation.

Quint, Janet. 1984b. *Interim Findings from the Arkansas WIN Demonstration Program*. New York: Manpower Demonstration Research Corporation.

Quint, Janet; and Guy, Cynthia. 1986. *Illinois: Interim Findings from the WIN Demonstration Program in Cook County*. New York: Manpower Demonstration Research Corporation.

Rein, Mildred. 1982. *Dilemmas of Welfare Policy: Why Work Strategies Haven't Worked*. New York: Praeger.

Reischauer, Robert D. 1987. "Welfare Reform: Will Consensus Be Enough?" *Brookings Review* 4-5 (summer): 3-8.

Riccio, James; Cave, George; Freedman, Stephen; and Price, Marilyn. 1986. *Final Report on the Virginia Employment Services Program*. New York: Manpower Demonstration Research Corporation.

Riccio, James; and Friedlander, Daniel. 1992. *GAIN: Program Strategies, Participation Patterns, and First-Year Impacts in Six Counties*. New York: Manpower Demonstration Research Corporation.

Riccio, James; Goldman, Barbara; Hamilton, Gayle; Martinson, Karin; and Orenstein, Alan. 1989. *GAIN: Early Implementation Experiences and Lessons*. New York: Manpower Demonstration Research Corporation.

Sawhill, Isabel V.; and Scott, Stephen E. 1992. *Background on Design Issues in a Time-Limited Welfare Proposal*. Washington D.C.: Urban Institute.

Sherwood, Kay; and Kopp, Hilary. 1987. *Community Work Experience Programs: An Overview*. New York: Manpower Demonstration Research Corporation.

Steiner, Gilbert Y. 1971. *The State of Welfare*. Washington, D.C.: Brookings Institution.

Szanton, Peter L. 1991. "The Remarkable 'Quango': Knowledge, Politics, and Welfare Reform." *Journal of Social Policy Analysis and Management*, 10 (4): 590-602.

U.S. General Accounting Office. 1971. *Problems in Accomplishing Objectives of the Work Incentive Program (WIN)*. Washington, D.C.: U.S. General Accounting Office.

U.S. General Accounting Office. 1975. *Problems in the Work Incentive Program in Los Angeles and San Diego*. Washington, D.C.: U.S. General Accounting Office.

U.S. General Accounting Office. 1982. *An Overview of the WIN Program: Its Objectives, Accomplishments, and Problems*. Washington, D.C.: U.S. General Accounting Office.

U.S. General Accounting Office. 1987. *Work and Welfare: Current AFDC Work Programs and Implications for Federal Policy*. Washington, D.C.: U.S. General Accounting Office.

U.S. General Accounting Office. 1992. *Welfare to Work: States Serve Least Job-Ready While Meeting JOBS Participation Rates*. Washington, D.C.: U.S. General Accounting Office.

SELECTED MDRC PUBLICATIONS

WELFARE-TO-WORK PROGRAMS

From Welfare to Work (Russell Sage Foundation). Book. 1991. Judith M. Gueron, Edward Pauly. A synthesis of research findings on the effectiveness of welfare-to-work programs. Chapter 1, which is the summary of the book, is also published separately by MDRC.

Reforming Welfare with Work (Ford Foundation). Monograph. 1987. Judith M. Gueron. A review of welfare-to-work initiatives in five states.

Papers for Practitioners Series

Assessing JOBS Participants: Issues and Trade-offs. 1992. Patricia Auspos, Kay Sherwood. Lessons from employment and training programs for assessment in JOBS.

Linking Welfare and Education: A Study of New Programs in Five States. 1992. Edward Pauly, David Long, Karin Martinson. Key issues in providing education services to welfare recipients.

The GAIN Evaluation

An evaluation of California's Greater Avenues for Independence (GAIN) Program, which is currently operating as the state's JOBS program and features upfront basic education as well as job search and other activities.

GAIN: Planning and Early Implementation. 1987. John Wallace, David Long.

GAIN: Child Care in a Welfare Employment Initiative. 1989. Karin Martinson, James Riccio.

GAIN: Early Implementation Experiences and Lessons. 1989. James Riccio, Barbara Goldman, Gayle Hamilton, Karin Martinson, Alan Orenstein.

GAIN: Participation Patterns in Four Counties. 1991. Stephen Freedman, James Riccio.

GAIN: Program Strategies, Participation Patterns, and First-Year Impacts in Six Counties. 1992. James Riccio, Daniel Friedlander.

GAIN: Two-Year Impacts in Six Counties. 1993. Daniel Friedlander, James Riccio, Stephen Freedman.

The JOBS Evaluation

An evaluation of welfare-to-work programs operating under the Job Opportunities and Basic Skills Training (JOBS) provisions of the Family Support Act of 1988.

From Welfare to Work (Russell Sage Foundation). Book. 1991. Judith M. Gueron, Edward Pauly. See description above.

The Saturation Work Initiative Model (SWIM)

A test of the feasibility and effectiveness of an ongoing participation requirement in a welfare-to-work program.

Final Report on the Saturation Work Initiative Model in San Diego. 1989. Gayle Hamilton, Daniel Friedlander.

The Saturation Work Initiative Model in San Diego: A Five-Year Follow-up Study. 1993. Daniel Friedlander, Gayle Hamilton.

The Demonstration of State Work/Welfare Initiatives

A test of the feasibility and effectiveness of various state employment initiatives for welfare recipients.

Arizona

Preliminary Management Lessons from the WIN Demonstration Program. 1984. Kay Sherwood.

Arkansas

Interim Findings from the Arkansas WIN Demonstration Program. 1984. Janet Quint.

Final Report on the WORK Program in Two Counties. 1985. Daniel Friedlander, Gregory Hoerz, Janet Quint, James Riccio.

Employment and Welfare Impacts of the Arkansas WORK Program: A Three-Year Follow-up Study in Two Counties. 1988. Daniel Friedlander, Barbara Goldman.

California

Preliminary Findings from the San Diego Job Search and Work Experience Demonstration. 1984. Barbara Goldman, Judith Gueron, Joseph Ball, Marilyn Price.

Findings from the San Diego Job Search and Work Experience Demonstration. 1985. Barbara Goldman, Daniel Friedlander, Judith Gueron, David Long.

Final Report on the San Diego Job Search and Work Experience Demonstration. 1986. Barbara Goldman, Daniel Friedlander, David Long.

Illinois

Interim Findings from the WIN Demonstration Program in Cook County. 1986. Janet Quint, Cynthia Guy.

Final Report on Job Search and Work Experience in Cook County. 1987. Daniel Friedlander, Stephen Freedman, Gayle Hamilton, Janet Quint.

Maine

Interim Findings from a Grant Diversion Program. 1985. Patricia Auspos.

Final Report on the Training Opportunities in the Private Sector Program. 1988. Patricia Auspos, George Cave, David Long.

Maryland

Interim Findings from the Maryland Employment Initiatives Programs. 1984. Janet Quint.

Final Report on the Employment Initiatives Evaluation. 1985. Daniel Friedlander, Gregory Hoerz, David Long, Janet Quint.

Supplemental Report on the Baltimore Options Program. 1987. Daniel Friedlander.

New Jersey

Final Report on the Grant Diversion Project. 1988. Stephen Freedman, Jan Bryant, George Cave.

Virginia

Interim Findings from the Virginia Employment Services Program. 1985. Marilyn Price.

Final Report on the Virginia Employment Services Program. 1986. James Riccio, George Cave, Stephen Freedman, Marilyn Price.

West Virginia

Interim Findings on the Community Work Experience Demonstrations. 1984. Joseph Ball.

Final Report on the Community Work Experience Demonstrations. 1986. Daniel Friedlander, Marjorie Erickson, Gayle Hamilton, Virginia Knox.

Other Reports on the Demonstration of State Work/Welfare Initiatives

Workfare: The Impact of the Reagan Program on Employment and Training. 1983. MDRC.

Documentation of the Data Sources and Analytical Methods Used in the Benefit-Cost Analysis of the EPP/EWEP Program in San Diego. 1985. David Long, Virginia Knox.

Relationship Between Earnings and Welfare Benefits for Working Recipients: Four Area Case Studies. 1985. Barbara Goldman, Edward Cavin, Marjorie Erickson, Gayle Hamilton, Darlene Hasselbring, Sandra Reynolds.

Welfare Grant Diversion: Early Observations from Programs in Six States. 1985. Michael Bangser, James Healy, Robert Ivry.

A Survey of Participants and Worksite Supervisors in the New York City Work Experience Program. 1986. Gregory Hoerz, Karla Hanson.

Welfare Grant Diversion: Lessons and Prospects. 1986. Michael Bangser, James Healy, Robert Ivry.

Work Initiatives for Welfare Recipients: Lessons from a Multi-State Experiment. 1986. Judith Gueron.

The Subgroup/Performance Indicator Study

A study of the impacts of selected welfare-to-work programs on subgroups of the AFDC caseload.

A Study of Performance Measures and Subgroup Impacts in Three Welfare Employment Programs. 1987. Daniel Friedlander, David Long.

Subgroup Impacts and Performance Indicators for Selected Welfare Employment Programs. 1988. Daniel Friedlander.

The Self-Employment Investment Demonstration (SEID)

A test of the feasibility of operating a program to encourage self-employment among recipients of AFDC.

Self-Employment for Welfare Recipients: Implementation of the SEID Program. 1991. Cynthia Guy, Fred Doolittle, Barbara Fink.

The WIN Research Laboratory Project

A test of innovative service delivery approaches in four Work Incentive Program (WIN) offices.

Immediate Job Search Assistance: Preliminary Results from the Louisville WIN Research Laboratory Project. 1980. Barbara Goldman.

Preliminary Research Findings: WIN Research Laboratory Project. 1980. MDRC.

Final Report on WIN Services to Volunteers: Denver WIN Research Laboratory Project. 1981. Ellen Slaughter, Paulette Turshak, Gale Whiteneck, Edward Baumheier.

Impacts of the Immediate Job Search Assistance Experiment: Louisville WIN Research Laboratory Project. 1981. Barbara Goldman.

The Workings of WIN: A Field Observation Study of Three Local Offices. 1981. Sydelle Levy.

Welfare Women in a Group Job Search Program: Their Experiences in the Louisville WIN Research Laboratory Project. 1982. Joanna Gould-Stuart.

The WIN Labs: A Federal/Local Partnership in Social Research. 1982. Joan Leiman.

Job Search Strategies: Lessons from the Louisville WIN Laboratory. 1983. Carl Wolfhagen, Barbara Goldman.

PROGRAMS FOR TEENAGE PARENTS ON WELFARE

The LEAP Evaluation

An evaluation of Ohio's Learning, Earning, and Parenting (LEAP) Program, which uses financial incentives to encourage teenage parents on welfare to stay in or return to school.

LEAP: Implementing a Welfare Initiative to Improve School Attendance Among Teenage Parents. 1991. Dan Bloom, Hilary Kopp, David Long, Denise Polit.

LEAP: Interim Findings on a Welfare Initiative to Improve School Attendance Among Teenage Parents. 1993. Dan Bloom, Veronica Fellerath, David Long, Robert Wood.

The New Chance Demonstration

A test of a comprehensive program of services that seeks to improve the economic status and general well-being of a group of highly disadvantaged young women and their children.

New Chance: Implementing a Comprehensive Program for Disadvantaged Young Mothers and Their Children. 1991. Janet Quint, Barbara Fink, Sharon Rowser.

Project Redirection

A test of a comprehensive program of services for pregnant and parenting teenagers.

The Challenge of Serving Teenage Mothers: Lessons from Project Redirection. Monograph. 1988. Denise Polit, Janet Quint, James Riccio.

The Community Service Projects

A test of a New York State teenage pregnancy prevention and services initiative.

The Community Service Projects: A New York State Adolescent Pregnancy Initiative. 1986. Cynthia Guy.

The Community Service Projects: Final Report on a New York State Adolescent Pregnancy Prevention and Services Program. 1988. Cynthia Guy, Lawrence Bailis, David Palasits, Kay Sherwood.

THE PARENTS' FAIR SHARE DEMONSTRATION

A demonstration aimed at reducing child poverty by increasing the job-holding, earnings, and child support payments of unemployed, noncustodial parents (usually fathers) of children receiving public assistance.

Caring and Paying: What Fathers and Mothers Say About Child Support. 1992. Frank Furstenberg, Jr., Kay Sherwood, Mercer Sullivan.

Child Support Enforcement Processes: A Case Study. Working Paper. 1993. Dan Bloom.

THE NATIONAL JTPA STUDY

A study of 16 local programs under the Job Training Partnership Act (JTPA), the nation's job training system for low-income individuals.

Implementing the National JTPA Study. 1990. Fred Doolittle, Linda Traeger.

The National JTPA Study: Site Characteristics and Participation Patterns. 1993. James Kemple, Fred Doolittle, John Wallace.

A Summary of the Design and Implementation of the National JTPA Study. 1993. Fred Doolittle.

About MDRC

The Manpower Demonstration Research Corporation (MDRC) is a nonprofit social policy research organization founded in 1974 and located in New York City and San Francisco. Its mission is to design and rigorously field-test promising education and employment-related programs aimed at improving the well-being of disadvantaged adults and youth, and to provide policymakers and practitioners with reliable evidence on the effectiveness of social programs. Through this work, and its technical assistance to program administrators, MDRC seeks to enhance the quality of public policies and programs. MDRC actively disseminates the results of its research through its publications and through interchange with policymakers, administrators, practitioners, and the public.

Over the past two decades – working in partnership with more than forty states, the federal government, scores of communities, and numerous private philanthropies – MDRC has developed and studied more than three dozen promising social policy initiatives.